

JPRS 83715

20 June 1983

# West Europe Report

No. 2162



FOREIGN BROADCAST INFORMATION SERVICE

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## CONSERVATIVE PAPER: LABOR HELPS SPLIT WEST WITH INF STAND

Oslo AFTENPOSTEN in Norwegian 28 May 83 p 2

[Editorial]

[Text] Norway's contribution to NATO's jointly financed infrastructure program was recently adopted in the Storting. With this, we stand fast in our obligations as a member of the Western defense alliance. This is the central and essential thing.

But it is disturbing, even if not unexpected, that the resolution on our part of the preparatory work for the deployment of medium range missiles in Western Europe was again passed by the smallest possible majority, 69 to 68 votes. The amount of the appropriation, 27.5 million kroner, is in this matter more than secondary.

The Labor Party bears here a large part of the responsibility for the fact that a broad unity of more than 30 years in questions of defense and security seems definitely to be broken. No matter how many leading spokesmen repeat that the party "stands fast" on NATO cooperation and its necessity for our country, it is still not enough to talk this away.

When the Labor Party, inside and outside the Storting, repeats proposals and demands for "the end of all preparations for the deployment of new intermediate range missiles in Europe," the main point is for the party to come to an agreement with itself. But the price of this from a realistic point of view debatable inner agreement is dangerously high: In effect one is breaking with NATO's solidarity and weakening the strength of its alliance partners, because such a policy undermines the alliance partners' common negotiating strategy and credibility. It also strikes indirectly at common Western efforts to maintain peace and to promote real nuclear disarmament.

The split in the West, which the Labor Party has actively contributed to, can lead to a failure in getting the new Soviet intermediate range missiles removed that have threatened Western Europe for six years -- and which, in continually greater numbers, can reach our territories in a few minutes. Without the slightest guarantee that the Soviet Union will take away these tangible threats and its superior power, one says "no" even to preparations on the part of the U.S. and NATO. So bold is the game that the Labor Party and sister parties have played;

In the Danish Folketing a similar proposal was actually accepted recently.

These are the most serious sides to the matter. The tactics of the Social Democrats can only cause the Kremlin to have a stronger impression of the weakening alliance in the West. At "best," the result will be unilateral disarmament. This could in the next round form the basis for political pressure that Norway should not be the last to guard against.

No one can be surprised that the liberals and socialists in their hearts are rejoicing over the conscious and unconscious campaign that will in reality weaken the united Western strategy of negotiation. But it is disturbing for our defense policy that smaller groups in the central parties are going along with this -- that they in part are willing to go even farther than the Labor Party.

They cannot possibly have thought logically through the perspectives and consequences of their numbing attitude toward the NATO alliance and its extremely great significance for Norway through the years, both for our security and peace in freedom. These factors must be given just as much importance as before.

For the threat has not been reduced.

9124

CSO: 3639/119

## 'WOMEN FOR PEACE' TO TIGHTEN UP ORGANIZATIONAL STRUCTURE

Oslo AFTENPOSTEN in Norwegian 27 May 83 p 26

[Article by Knut Falchenberg]

[Text] The "Women for Peace" movement is to be more coordinated. On Thursday the newly elected coordinating group will meet for the first time in its own office in Oslo. The women are hoping that groups from various parts of the country will divide up the administrative duties among each other at the same time that they all work actively for the year's big event, the peace march from Eidsvoll to Trondheim.

"We are a movement and not an organization. We consist of scattered small groups throughout the country that arose after the large signature campaign in the spring of 1980. Now is the time for more coordination," Anne Marit Sletten Duve said, who is a member of the so-called coordinating group that was elected at a national meeting in March. The next national meeting will be held in Spjelkavik outside of Alesund next spring.

The women's groups in the Trondheim area will deal primarily with finances. It is important for them to get their books and budget in order with an accountant and with complete openness.

"Our opponents may claim that we are paid by the KGB and such. Such suspicions are dangerous, and we want to avoid this by stressing an ordered budget," the spokeswoman told AFTENPOSTEN.

"Women for Peace" does not have a complete survey today of who and how many are participating in local activities. The Ostfold section will now obtain a survey of this. The members will be registered. The closest estimate one can give of the number of women affiliated is that the magazine NYTT of "Women for Peace" sends out about a thousand copies. From now on it will be issued ten times a year, in comparison with four times a year up to now. This will be the responsibility of the groups in the Alesund area, while the Molde areas within More og Romsdal will have the responsibility for contact with Nordic peace women and other international groups.

"Women for Peace" in Oppland will take upon themselves the special task of supplies, publications, and propaganda. Among other things, they are offering a slide program to organizations, to instruction for candidates for confirmation, and to others, built up around the atomic bomb that was dropped on Hiroshima.

## ALLEGED ISRAELI COOPERATION IN SEARCH OF ASALA MEMBERS

Nicosia EIKONES in Greek No 118, 28 Apr-12 May 83 pp 20, 21, 54

/Text/ Israeli agents operating on behalf of Turkey are playing a dirty game in Cyprus and are stubbornly trying to uncover or, if need be, manufacture proof that Armenian commandos are present on our island.

Following a series of assassinations of Turkish officials by commandoes of the Secret Army for the Liberation of Armenia (ASALA)--the most recent one being the assassination of the Turkish ambassador in Belgrade--the enraged Turkish generals are threatening to strike at Cyprus where ostensibly ASALA bases exist. For this reason they are trying to find, by hook or crook, "documentary data" on the presence in Cyprus of Armenian commandos so that, for domestic consumption, they can "teach Cyprus a lesson" and thus satisfy the Turkish public opinion which is completely perturbed, concerned and displeased with the inability of the dictators to avert the Armenian attacks.

In its issue No 112 (5-18 February), EIKONES reported that the Israeli Secret Service--Mossad--has started cooperating closely with Evren's dictatorial regime on bringing terrorism under control and there are indications that it has assigned to its agents the task of finding proof about the presence of Armenian "terrorists" in Cyprus or if this were not possible to fabricate such proof.

The recent charges that Israeli agents tried to find out from Armenian students in Larnaca, the place where the ASALA commandoes were presumably hiding, are a demonstrative confirmation of the revealing EIKONES report about the cooperation between the Israeli Secret Service and the Turkish junta.

## Israelis Ask for Information

On 12 April a stranger with a leather bag hanging from his shoulder went to the Armenian Youth Center in Larnaca and asked two students to give him information about the Center. He was particularly interested in the dates on which meetings were held there and asked a number of questions about the Larnaca Armenians, their meetings and their activities.

The Armenian students suspected the stranger and told him nothing. He then

approached a rented car with another stranger in the driver's seat. The two students took down the car's registration number and reported the episode to the police whose investigation revealed that the car was rented in Nicosia 2 days earlier by two Israelis. Another interesting detail is that the first stranger was seen looking around the Youth Center the following day and it is possible that he may have entered the Center itself since those going there do not know each other nor is entrance forbidden.

The view that the two strangers were experienced agents is reinforced by the fact that, despite its persistent and continuous efforts for many days, the police were unable to locate them. It seems that the names they gave to the rental car agency were false. They left behind no trace which could lead the police to them and in all probability they have already left Cyprus or have gone to the occupied territory.

#### Is a Diplomat Involved?

According to certain information a member of the Israeli embassy in Nicosia is involved in the case of gathering information about the presumed ASALA activities in Cyprus and the meeting between Police Chief S. Andoniou and Israel's ambassador is believed to have a bearing on the case. The former confirmed that he met with an ambassador of a foreign country but refused to name him.

The government spokesman, responding to the question if "the ambassador of a neighboring country met with Chief Andoniou and if he admitted that the two persons who were looking for information about the Armenians were members of his embassy's personnel" said: "This does not correspond to what was exchanged between the chief of police and the foreign ambassador."

Similar activities by foreign agents were detected last October also, when the Security Forces were looking for an energetic alien who behaved suspiciously and who, as was established later, possessed a diplomatic passport and was taking refuge in the embassy of Israel.

It should be noted that the government has recently fired a senior police officer with the charge that he gave the Israelis documents related to the movements of Armenians in Cyprus. He has, however, denied the charge and the case is now before the Supreme Court.

#### Artificial Noise

The noise the Turks have created about the ostensible presence of Armenians in Cyprus is artificial and aims at diverting the attention of the Turkish public opinion from the true source the Turkish authorities are suspecting--that is, the Soviet Union and the Palestinians. But they cannot accuse the Palestinians openly because they will lose the friendship and economic assistance of the Arab world. It is also inconceivable that they could accuse the Soviet Union which, as a superpower, could make the Turks tremble

from fear if they could air their otherwise unfounded charges.

In any case, the Turkish authorities consider as reliable the information the Israeli Secret Service provided them that the Palestinian organizations give financial assistance, arms and facilities to the Armenian commandos whom they train in their camps in Lebanon.

The Turkish generals want to exterminate these ASALA commandos who thus far have killed many Turkish diplomats and have blown up several buildings and offices housing Turkish services. The Turks believe that ASALA consists of a few "assassins" and that if they were captured in Lebanon the Armenian threat would be terminated.

On the other hand the Israelis have told the Turks that they have in their possession documents which they captured in Tyre, Sidon and Beirut during their attack on PLO positions and these documents confirm that there are ties between the PLO leaders, the Red Brigade in Italy, the Red Army in Japan and the Turkish terrorists who are responsible for the wave of assassinations before the military came into power. Mossad says it possesses documents showing the PLO provided the Turkish terrorists with arms, supplies, passports and it trained them in the use of arms.

Following the ASALA commando raid at the Ankara airport, the Israelis informed the Turks that they possessed information that the Soviet Union supplied ASALA and certain PLO and Syrian factions with money and arms usually through third parties. On the day of the airport raid a Syrian diplomat was arrested there. In his diplomatic pouch the authorities found a Polish-made submachine gun and Soviet-made hand grenades.

At an Istanbul hotel patronized mainly by Palestinians and Arabs the Turks arrested Palestinians with Jordanian passports. In their possession they had a map on which Israel's consulate and El Al's office were marked as targets. Another document listed 20 Jewish candidate victims. The Turks believe that on 7 August a double operation was planned: ASALA would strike at the Ankara airport while the Palestinians would hit Jews in Istanbul. However, the first operation was fumbled while the second was thwarted by the Turkish security authorities.

The Israelis told the Turks that, according to information they possessed, at a meeting they held in West Beirut during the summer, ASALA and extremist Palestinian groups agreed to assist each other and to carry out simultaneous operations. The Palestinians would continue to attack Israeli targets while ASALA would intensify its attacks against the Turks.

The Israelis exploited the fact that the same type of Polish-made submachine gun was used in both the Ankara airport raid and the assassination of six persons in an Israel restaurant in Paris and the assassination attacks against the Israeli ambassador in London. They also exploited the fact that the two Armenians who raided the Ankara airport had entered Turkey from a Middle East

country and they had obtained their arms from an illegal, pro-Soviet Turkish terrorist organization.

To the Turkish question on why the Soviet Union supports ASALA, the Israeli Secret Service claims that the Armenian organization is trying to become as well known as the PLO and that if the latter succeeds some day in stabilizing its own state then ASALA could use it as a precedent for establishing an independent Armenian Republic in Southeastern [sic] Turkey. However much the Turks contend that such a thing could be exaggerated and unlikely, the Israelis replied that no one believed the PLO could achieve the strength it has today and that when it started 18 years ago the idea of establishing such an organization was considered improbable.

The Israelis advance an additional argument. If the Kars and Artahan [transliteration] provinces and the adjoining areas (where NATO plans to establish a Rapid Deployment Force) become the basis of an independent Armenian Republic which could be linked with Soviet Armenia in some loose way, then Turkey (and certainly NATO) will be weakened.

These Israeli arguments and reports seem to have persuaded the Turks about interconnections between ASALA and the Palestinians on the one hand and the Soviet Union on the other. Thus the Israelis have succeeded in chilling the relations among the Turks, the Palestinians and the Soviet Union. This seems to a large extent to be the aims of NATO and the Israeli policy.

Israel has another reason for reviving the case of "terrorism" in the area. It succeeds in diverting the world's attention and interest to other issues from the horrible crimes it committed in Lebanon and from the continued occupation of that country.

The agreement between Mossad and the Turkish Secret Service has this meaning: We will help you fight your terrorists (Armenians) and you will help fight ours (Palestinians). Thanks to this cooperation, the Israelis succeeded in stopping Turkish assistance to the Palestinians. In exchange they supply Turkey with information gathered by Mossad's world-wide network about the movements of the Armenian commandos.

The same activity [of information gathering] must be taking place in Cyprus where Israel has a great number of agents who continuously watch the movements of the Arabs in Cyprus. Thus, it appears that they undertook to offer "a friendly service" to the Turks--to investigate the reports about the presumed presence of ASALA commandos in Cyprus. Since the Turks want very badly to get information on ASALA bases in Cyprus, the Israelis decided to oblige them and find such information or, if need be, fabricate it. For reasons of internal consumption and in order not to appear that they do not take measures against the intensified anti-Turkish activities of Armenian commandos, both the Turkish generals and Denktash are continually hurling threats against Cyprus which ostensibly helps the Armenians.

Moreover, they have reached the point of saying that the diplomatic pouches of the Republic of Cyprus are being used for sending arms and money to the Armenians or that a number of blank passports was given to Armenian commandos. Moreover, one should not exclude the possibility that they may strike at various targets in Cyprus for reasons of prestige--just to say they have hit the commandos. They have already threatened to teach us a good lesson the next time Turkish diplomats suffer an attack.

For this reason the Security Forces have intensified their surveillance of certain persons who are suspected of being agents of Turkey while at the same time the National Guard has increased its readiness so it can be in a position to repulse any Turkish "reprisals"--if one could use this word since the presence of ASALA bases on Cyprus exists only in the imagination of certain Turkish officials. Moreover, Interior and Defense Minister Khristodoulos Veniamim has given orders to the Security Forces and the National Guard to be continuously vigilant against the Turkish threats.

7520

CSO: 3521/331

## TRAVELER'S CHECK FRAUD SEEN FINANCING ETA, ANARCHISTS

Paris LE MATIN in French 15 Apr 83 p 15

[Article by J.B. and P.B.]

[Text] Some 20 summons in the Paris area and in Pyrenees-Orientales, which finally resulted in the indictment for fraud of seven persons, one of whom has been released: This is the balance sheet, presented as "provisional," on a vast investigation which all departments involved in the antiterrorist campaign participated in. They say that the fraud in question — the forging and passing of stolen traveler's checks — may have served to finance certain organizations affiliated with the ETA [Basque Fatherland and Liberty Group] and part of the anarchist world.

Terrorists? No one would dare to claim that this is the case yesterday, whether we turned to the various police departments that participated in the investigation or to the Ministry of Interior. And, as for Paris judge Jean-Louis Beauguitte, he had "no information to offer" on the seven indictments he has issued since 25 March in connection with this nebulous affair involving stolen traveler's checks.

It was, it seems, through a "tip" that the whole thing started. A tip by means of which the police in March learned of the existence of traffic in traveler's checks to finance "extreme Left groups." There was a general clearing of the decks for action. But the results obtained by the DST [Directorate of Territorial Surveillance], the General Intelligence Division, the Criminal Investigation Department, the GIGN [expansion unknown] and even, we are assured, the DGSE [expansion unknown] were not equal to the resources that were put to work. The extent of the fraud? A total figure of 40,000 francs: a measly sum for the financing of the "international organization" the confidential tip reported. And the defenders of the seven accused, six of whom are being held in custody, are objecting to the manner in which "the facts have been inflated," connecting this case with the murder of Lieutenant Colonel Nut, the DGSE agent who was executed last February near Nice. Nothing as spectacular as that....

It was in fact a name, Jose Sereda-Ramos, a Spaniard in the past active in the struggle against Franco and affiliated with the ETA, that enabled the investigation to trace back a certain series of operations. Tails put on him enabled [the police] to ascertain that one of his friends, also Spanish, made frequent

transactions at a bank teller's window. To negotiate traveler's checks there? At any event, that is the story the police got, even if there was no confrontation, according to the lawyers, between the man and the teller. On the other hand, there were house searches that allegedly enabled them to find a whole consignment of shells, detonators, explosives and also fake identity cards and blank driver's licenses in a certain blue equipment case. Today six Spaniards and one Chilean have been indicted in connection with this case, which is far from being "closed," according to the police. But the lawyers themselves have no intention of leaving things as they are. They have already charged the court with the transmission of procedural irregularities involving the temporary withdrawal of a certain number of passages from the proceedings by the examining magistrate.

11,466

CSO: 3519/510

## DST INVESTIGATES ARDECHE MURDER OF LCR MEMBER

Paris LE FIGARO in French 2 May 83 p 32

[Article by Pierre Gallerey]

[Text] The discrete presence of Paris police belonging to the DST (Directorate of Territorial Security) is contributing to obscuring the mystery that surrounds the murder of two young residents of Nancy whose bodies were discovered on 23 April in the Paiolive Forest (Ardecche). The silence of investigators and magistrates gives free rein to the wildest of rumors. A political crime, a drug or spy case — which might be linked to the strange murder of Colonel Nut — all possible hypotheses have now been advanced. What originally appeared to be a sordid double murder committed by a person living by plunder on the fringe of society has, as the days go by, become one of the most astonishing mysteries in the annals of crime.

The only positive element: The personalities of the two victims, Isabelle Alison and Philippe Vigneron, are now better defined. The two young people from Nancy were not merely romantic nature lovers who came every year to the wild landscape of the Cevennes country to rediscover their roots, more or less amateur speleologists who wanted to explore caves.

Very politically committed to the extreme Left, Isabelle was active in the Revolutionary Communist League and the Pacifist League of France and participated in demonstrations by these movements. Which, after her challenge at the "National Assizes for Peace" in Verdun in 1982, earned her a record with the General Intelligence Division.

Philippe Vigneron's personality is more nebulous. He appears as an idealist, he too impassioned with the ecology, environmental protection — he apparently worked without pay at the Lorraine Nature Preservation Station — but with no record of political activities.

Philippe lived in that fringe world of civil disobedients, libertarians, Third-World activists, a nebulous, rather vague one inasmuch as it also harbors individuals with more obscure motivations and habitual criminals.

Does Antonio Cos-Ruecker, that 37-year-old German who has lived in the Cevennes since 1981 and who figures as the prime suspect, belong to this last-named category? Did he know Isabelle and Philippe before they came to Ardeche? Anything is possible.

A Secret Agent?

Anything is possible, but nothing is certain. Nothing definitely proves that Cos-Ruecker is really the "man of the woods," the perpetrator of many robberies of vacation homes, the loot from which was piled up in an "Ali Baba cave" near the spot where the bodies of the two young people were discovered.

According to statements by some policemen who participated in beating the bushes for him, Cos-Ruecker is a rather inoffensive person, a sneak-thief by nature, but not a bad man, one who had only spent time in prison "for a petty offense." Still, if he really has nothing to blame himself for, why does he remain in hiding? Of course, we can imagine all sorts of things. Including — and why not? — the possibility that he too may have met a violent death.

Other rumors that are just as unverifiable: That Cos-Ruecker belonged to the West German secret service and might have been ordered — by whom? — to infiltrate the fringe elements. A hypothesis the investigators judge to be improbable. Cos-Ruecker's behavior throughout these past 2 years in any case proves that he was hardly concerned over going unnoticed. But the presence of DST inspectors in Privas obviously gives this shady affair a curious tinge, which some people link — by God knows what connection — with the murder of Colonel Nut, the French counter-espionage agent murdered in the backwoods around Nice.

The most obscure point, the strangest thing, is naturally that interval of nearly a week which, according to the results of the autopsy, separates the deaths of Philippe and Isabelle from one another. Why did her murderer grant the young woman that awful reprieve? Out of sadistic refinement? The way she was killed, strangled with a garrote, and the traces of blows found on her body lead one to think that the murderer tried to make her talk.

But what was her secret? Isabelle's behavior during the few days that separate the two crimes remains incomprehensible. Formal evidence reports her presence at the Cafe de la Poste in Mornas on 11 April in the company of a bearded man with blue eyes, later identified as Antonio Cos-Ruecker. She seemed to be drugged, not in a normal state of awareness, and she did not make a sign to attract anyone's attention when her companion left her alone for a few minutes. Yet the disappearance of the two young people had been reported 3 days before that and Philippe had probably already been murdered.

But was such a short period of time enough to transform Isabelle into an unconscious wreck?

### An Absurd Attempt

Another disturbing detail. Isabelle's credit card was found in the automatic teller of the Ales (Gard) Credit Agricole [Farmers Bank] on 10 April. Someone had tried to use it without knowing the code number. They now know — the fingerprints found on the card prove it — that it was Cos-Ruecker.

Here again, we can merely tick off the question marks. It is quite obvious that the attempt was doomed to failure and the gesture seems to have been absolutely crazy. It was inevitably destined to provide investigators with a clue since the alarm had already been sounded. And if robbery was the motive for the crime — an absurd hypothesis because of the relatively small size of the cash withdrawals that are authorized — we may imagine that the murderer possessed all the means needed to force the young woman to provide him with the code number or to withdraw the funds herself. Let us bear in mind that Isabelle was seen alive 3 days later.

As for the hypothesis of a casual burglar surprised by two amiable tourists who kills in a reflex response of anger and fear, it does not stand up to an examination of the facts either.

What was involved was without a doubt something of another nature, important in some other way, in order to explain such a massacre, such brutality. No one any longer really knows what the police, who are still beating the bushes in the immense Paiolive Forest, are looking for. The mysterious murderer had all the time in the world to leave the scene before the bodies were discovered and the police are there particularly, it would seem, to reassure the local population.

There is one final point that intrigues the investigators. The parents of the two victims sounded the alarm very early, a few days after Isabelle and Philippe's departure, and they were very insistent about it, although nothing apparently as yet justified their concern at the time. Why this certainty that a drama was involved? Is the key to the mystery in Nancy?

11,466  
CSO: 3519/510

## PROTOCOL TO PREVENT REESTABLISHMENT OF DEATH PENALTY

Paris LE MONDE in French 29 Apr 83 p 32

[Article by Bertrand le Gendre]

[Text] Abolished in France on 1 October 1981, could the death penalty be re-stored some day? Yes, if a new majority decided to do so. To prevent this danger, Minister in Charge of European Affairs Andre Chandernagor signed a Council of Europe protocol excluding any return to it this Thursday, 28 April, in Strasbourg. Once ratified by the French Parliament, this protocol would forbid reestablishment of the death penalty under normal circumstances, but also in the event of a crisis, a possibility anticipated by Article 16 of the Constitution.

The decision to sign this bill was made on Wednesday afternoon, at the very last minute, by Mr Francois Mitterrand himself, who in so doing complied with the wishes of Mr Robert Badinter. But it could give rise to a general outcry in the opposition, which might see in it a surrender of sovereignty.

It is a secure bar to the possible reestablishment of the death penalty that France has decided to impose.

Subject to ratification by the French Parliament, the bill signed this Thursday morning by Mr Chandernagor at Council of Europe headquarters will in fact prohibit any return to the past.

This bill, which is in the form of Protocol No 6, a supplement to the European Convention on Human Rights, will be included in that agreement. Signed by France and 11 other member-nations of the Council of Europe,\* it declares that "the death penalty is abolished" except for "acts committed in time of war or imminent danger of war." Subject to extension of the notion of "war"

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\* The protocol has been signed by: Austria, Belgium Denmark, France, the Federal Republic of Germany, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and Switzerland.  
The death penalty is still imposed in only one of the 21 member-nations of the Council of Europe: Turkey. Others, like Belgium and Greece, still have laws imposing it, but no longer apply them.

to that of civil war, the ban is total since the protocol also stipulates that "no departure from this principle" is admitted, not even in the event of "a public danger that threatens the life of the nation."

The fact that no departure is provided for prohibits reestablishment of the death penalty not only through normal legislative procedure, but also indirectly through Article 16 of the Constitution on the powers accorded the president of the republic in the case of exceptional circumstances. Having the force of a treaty, such a protocol in effect takes precedence over all other sources of internal law: the constitution and the laws.

#### A Principled Choice by Mr Mitterrand

Tying one's hands in this fashion constitutes a surrender of sovereignty, even if precedents do exist. This explains why Mr Mitterrand — finally convinced by Mr Badinter to take the step — held off his decision until his return from a trip through Northern France and the Pas-de-Calais. If he did this, he did so for political reasons. Not signing would in fact have reintroduced serious disadvantages. What would people have to say about an abstention on the part of France, which Mr Badinter everywhere presents as the vanguard of human rights in Europe?

Signing, as Mr Chander-nagor did on Thursday on the instructions of the chief of state, presents nothing but advantages. When Parliament votes on ratification, the opposition may indeed seize hold of this issue, presenting it as an inadmissible surrender of sovereignty. It is after all clear that an appeal to the Constituent Assembly based on the unconstitutionality of the act of ratification would have a good chance of succeeding. But Mr Mitterrand preferred "this principled choice," as was emphasized this Thursday morning at the Elysee.

This choice was not a matter of course. Like Italy, the United Kingdom refused to sign. The "mother of parliaments," Great Britain, let it be known that it had no intention of letting its hands be tied. As in Italy, there is in that country a majority of citizens who favor reestablishment of the death penalty.

Does that explain why?

The decision of France, where as far as we know there is also a majority that favors capital punishment, would under the circumstances only assume greater prominence.

11,466

CSO: 3519/510

## BRIEFS

MONTEZIC HYDRAULIC PLANT OPERABLE--The Montezic hydraulic energy transfer station in the Aveyron region has just been fully connected to the national power system, to which it is linked by a 400-kV line. A supply of 30 million cubic meters of water pumped at night and on the weekend provides a power of 900 MW from four turbine pumps. Work on this facility, one of the most powerful in France, began in 1976. It occupies an area of 382 hectares, and the total cost amounted to 1.4 billion francs. [Text] [Paris ELECTRONIQUE ACTUALITES in French 15 Apr 83 p 4] 7679

CDF TO USE COAL RESIDUE--CDF [French Coal Board] has just awarded to Creusot-Loire a contract for the study and development of a facility designed to produce steam by burning residue from coal washings. This residue, which forms the familiar mounds seen in northern France, contains 85 percent sterile matter, but a new procedure, developed jointly with the CERCHAR [French Coal Research Center], based on a system using a fluidized bed, will make it possible to produce 360 tons of steam per day at the Drocourt site. This will be accomplished by consuming 500 tons of shale, and it will save the gas that now has to be used in coke plants. [Text] [Paris ELECTRONIQUE ACTUALITES in French 15 Apr 83 p 4] 7679

CDF's COAL ENERGY GROUP--CDF [French Coal Board] has just established the SIDEC [Industrial Firm for the Development of Coal Energy]. This firm will install, operate, and supply all types of equipment consuming coal. In this way CDF can begin to sell steam or heat, and the user will not have to bear the cost of financing conversion to coal. The SIDEC will have a capital of 180 million francs, enabling it to commit 500 million francs. This is a third of the investments required for the industrial sector to double its consumption of coal by 1990. That is the goal set by Michel Le Guillou, the head of CDF-Energy. During the past 15 months, 150 major users have converted to coal. This is an annual consumption potential of about 700,000 tons. [Text] [Paris LES ECHOS in French 9 May 83 p 7] 7679

GDF-JAPAN CONTRACT--GDF [French Gas Company] has signed another cooperation agreement with a Japanese firm, Osaka Gas Company, for the exchange of information. This agreement was signed by Messrs Pierre Alby and Masafumi Ohnishi, the heads of GDF and of Osaka Gas, respectively. This agreement was signed a few days after a similar agreement was reached with the Tokyo Gas Company, which has 6 million customers. (Osaka Gas has 4 million customers). The objective sought by the three companies, according to GDF, is "to improve security and services provided for users, while reducing the costs of transport and distribution. This will help to increase the share of gas usage in the total energy consumption of both countries." [Text] [Paris LES ECHOS in French 6 May 83 p 6] 7679

CSO: 3519/485

## BRIEFS

OIL PURCHASES ON SCHEDULE--During a press conference yesterday, Energy and Natural Resources Minister E. Kouloumbis said that the procurement of crude oil and oil products during the first 6 months of 1983 was normal and that the country's foreign exchange cost is favorable compared to previous years. He added that the related inter-state agreements signed thus far cover the annual needs of the country and that there are opportunities for signing more agreements on the basis of the calm climate now prevailing in the oil market. He added that the country's present needs are met by the inter-state agreements with the Soviet Union and Libya and that until the signing of other inter-state agreements the Ministry of Energy and the State Refineries will buy crude oil and products at advantageous prices from the free market. /Text/ /Athens I KATHIMERINI in Greek 27 May 83 p 13/ 7520

CSO: 3521/330

## BRIEFS

FRENCH BANK IN ICELAND--The National Bank of Paris [BNP] and the Landsbanki Islands (National Bank of Iceland) recently signed a financing agreement involving the opening of a line of buyers' credits. The BNP stated that, starting with unit orders in the minimum amount of 300,000 French francs, this agreement will encourage small French businesses to export to Iceland. [Text] [Paris LES ECHOS in French 3 May 83 p 6] 9720

FRENCH CREDIT BANK IN ENGLAND--The Bank of England has stated that it has authorized the Commercial Credit Bank of France [CCF] to accept deposits in Great Britain. This means that the CCF, which recently converted its London office into a branch, is officially authorized to offer all its banking services in Great Britain. The Bank of England gave similar authorizations to the Bank of Lebanon and Overseas, the International Bank for West Africa and the United Mizrahi Bank. In addition, it was learned that the Commercial Credit Bank of France opened its first branch in Hong Kong on Monday. A bank spokesman stated Monday that although the bank has a banking license for Hong Kong, its activity will be primarily directed toward international transactions and participation in lending consortiums. [Text] [Paris LES ECHOS in French 3 May 83 p 6] 9720

CSO:3519/487

## SUBSIDIES TO ATTRACT HIGH TECHNOLOGY INDUSTRY TO BERLIN

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 7 May 83 p 5

[Article by Juergen Mueller, Berlin: "New Approach for Berlin: Its Model Is Called 'Silicon Valley'--The Former Capital Wants to Emulate the American Technology Center--DM 150 Billion of Subsidies Have Not Stopped the Erosion"]

[Text] Aid to Berlin has been an ongoing task for all previous Federal governments. There is no telling whether this problem can ever be solved, in view of the isolated location of West Berlin. But so far, even all attempts to at least not permit any widening of the economic gap between this city of 2 million residents and the FRG proper have also failed. In this connection, there has been no lack of constantly fresh approaches and assistance, amounting to billions of marks. Following the signing of the Four Powers Agreement in 1971, Berlin was supposed to become no less than the trading and conference hub between East and West. These hopes have vanished, but now a radically new approach is being launched. No longer is Berlin to serve as the extended workbench a la Singapore for large German firms, but rather is to play a role as a European technology center--comparable to the American "Silicon Valley." Here, Berlin is placing its hopes--so far with only unclearly perceivable success--on putting into effect the proposals of the economic conference held with large groups of companies last year. But above all it is counting on its own new structural program. Our report is a stocktaking, and it delineates these new trend lines.

"It is important to improve the economic situation of Berlin." This clear-cut proposition on the Berlin situation could be heard in the government policy statement of Federal Chancellor Helmut Kohl. Of course, in this context Berlin was only one of the items checked off in the hours-long statement with which the tasks of 4 years of CDU/CSU-FDP policy were to be outlined. Kohl also dealt only in general terms with the Berlin Economic Conference, which was put on with much publicity in mid-December. At that time, 200 top men in the German economic sector had gone to Germany's parliament building. Afterwards, 17 specific declarations of intent were presented to the public--all of them measures by means of which Berlin is to receive some help.

However, since then things have become considerably more quiet: The Berlin problem has been banished from Bonn's leadership levels. Nevertheless, since 1950 this city has received about DM 150 billion in subsidies, provided for the purpose of maintaining its viability. Federal aid for the Berlin Land

budget this year alone amounts to DM 10.5 billion--and thus appreciably more than 50 percent of this budget is being covered by Bonn. The income-tax breaks, investment allowances, additional allowed depreciation, additional children's allowances, and so forth for Berlin are likely to total just short of DM 8 billion this year. To this must be added also grants to this cultural metropolis, buildings, and the like.

#### Largest Industrial City...

In fact, Berlin (West) is still not bad off economically: With a gross domestic product of DM 58 billion, this "island city" is one of the great economic regions of Germany. Its gross domestic product per resident takes second place behind that of Hamburg, at just under DM 30,000. With 165,000 employed persons, this proves that Berlin is in fact the largest industrial city in Central Europe. The good 1.4 million tourists (1982) attest to how attractive this metropolis still is for visitors.

Nevertheless, despite all the assistance given, negative factors still predominate in long-range considerations: Since 1962 the number of people employed in industry has decreased by 43 percent--more than in any other industrial region of the FRG. Every other business has closed its doors forever within the last 20 years. On the one hand, the number of residents is steadily decreasing, and on the other hand the structure of this population is changing. Since the beginning of the 1960's, some 800,000 Berliners have moved away, and foreigners have made up about two thirds of the influx of 650,000 new citizens.

It is no wonder that every chance--even the spectacle of the Berlin conference--is only too willingly looked into and taken. The city needs more jobs, above all in promising, high-quality industries. Because up to now the share in the employed population of Berlin enjoyed by university graduates has been lower than elsewhere, while the share held by unskilled workers has been markedly higher. This is the consequence of the moving of the headquarters of company groups away from the old Reich capital, and the result of its having lost its function as the capital. Moreover, the initially introduced Berlin Promotion Law--which was created in this city with a high percentage of older people under the impression that there was a shortage of manpower--promoted investments for capital-intensive, highly automated production processes which had to be run by semi-skilled workers. As of 1 January 1983, a new Berlin Promotion Law has now gone into effect which should improve the industrial structure of the city.

It is high time: The number of jobless people was about 88,000 at last count, which is 11 percent of the number of employed persons--two percentage points more than on the national average. Some 150,000 Berlin women and men are receiving public assistance, and every third one of these is younger than 25 years old. According to the calculation of Berlin DGB [German Labor Union Federation] chairman Michael Pagels, this year--despite the Berlin conference, despite the assistance to Berlin--another 20,000 jobs will be lost. Then Berlin will have only 790,000 people employed all told. "Difficult years are still in store for us," is also the judgment of economics senator Elmar Pieroth.

Thus in addition to all the other initiatives the DGB is also calling for the city's own employment program. This is to be financed by a re-increase in the rate of assessment of the trade tax, which should bring in DM 145 to 150 million. Ironically enough, this tax concession for businesses had been adopted in 1978 by the Federal president's panel of party chairmen. At that time, Bonn granted about DM 1 billion annually in addition for strengthening the viability of the city. But in fact this has obviously not helped any more than the previous attempts by Berlin's representatives of German industry, who hold a conference each year in Berlin. Thus the CDU-FDP Senat now felt obliged to create a special program for alleviating the worst of the unemployment in the city. Another 3,350 jobs are being added to the 1,400 jobs to be created in the autumn in the ABM [Job Creation Program]. Of course, the meager DM 80 million for this purpose are just a drop in the bucket.

#### ...But Often Only a Workbench

On the other hand, the restructuring of the assistance to Berlin is of fundamental importance to the development of the city. Up to now, the effect of the subsidies has been such that the city has become the extended workbench for other regions. Whatever was too expensive was produced there. The more capital-intensive the work was, the less employees it needed, the more the assistance poured in. Month after month, individual businesses pocketed more money from the running subsidy than they had to pay out for wages. Here a change in direction has been forced through which the Berlin DGB had called for back in 1976. With scientific support from the German Institute for Economic Research (DIW), which has its residence in Berlin, and locked in a fierce and sustained clinch with a large variety of lobby groups, this reform was pushed through by Berlin economics senator Elmar Pieroth ("I have linked my political future to this").

To do this, former wine entrepreneur Pieroth needed and was given the help of Berlin Mayor Richard von Weizsaecker. It was he who had to pacify the CDU's own clientele of businessmen. Finally, in compliance with Bonn's wishes the redistribution of DM 1.3 billion in annual subsidies was done in such a way as to not alter the total cost, because it was felt that the coffers were empty-- thus, there were subsidy losers and subsidy winners. The latter are to be businesses which not only do their manufacturing but also engage in research and development in Berlin, and have their sales department and marketing department and managing board residing there. Also more heavily favored are those who will take advantage of industries at previous stages in the production chain and which are located in the city. This is true for both "hardware" and "software." As a medium-term objective, it is hoped in return that additional subcontracting firms will locate there.

This is the new assistance to Berlin and the basic conditions which at last are supposed to be helpful. This assistance is supposed to bring to the Spree discerning entrepreneurs and businesses, at best those such as the automobile plant of Daimler-Benz. Edzard Reuter, Daimler-Benz board member and son of former Berlin Mayor Ernst Reuter, deserves the credit above all for the fact that this combine has overcome the prevalent anxiety complex: The Berlin plant

with its 4,000 employees has been fully integrated for some time now into the Daimler production program. That is to say, if a part from Berlin is missing, the entire series production comes to a stop.

A glance at the 17 offers submitted at the Berlin conference, with which 2,400 to 3,600 jobs are to be created:

The Innovation Association for Advanced Production Systems GmbH unites VW, Daimler-Benz, BMW, Siemens, and Berlin in a research project. Robots, among other things, are to be developed there. Later it is hoped that production will be in Berlin also. However, here the Cartels Office still stands in the way. The contracts are supposed to be signed even before the summer break.

The Friedrichshafen Gear Factory has made rapid headway. It is now searching for a site, and it intends to invest far more in Berlin than was previously planned. The hope on the Spree is that research and development will come after this.

The federally owned Salzgitter combine is one of the firms which are keeping more covered. It has promised to open a separate division with its own board of directors in this city. GHH [Gutehoffnungshuette Aktienverein] has made almost no headway with its search for partners.

The planned glass-fiber production of Siemens, Philips, SEL [Standard Elektrik Lorenz AG], AEG Telefunken, and Kabelmetall seems to have problems still. Will Berlin really become the "Mecca of telecommunications"? Although Nixdorf wants to expand, the Tiergarten district office does not want to see its site in the middle of the city disfigured by a "nondescript" structure.

Thus at least the timetable of the chancellor's panel is still in the realization stage. Whether or not at the end of the year initial results will be on hand is a question which must remain up in the air for now. It is in Berlin above all that people are always quite skeptical about promises given from the outside.

In this connection, the city is doing a thing or two more itself--the second supporting leg. In the autumn of 1982, a structural program was adopted by the Senat which points to new directions. "Every new establishment of a business creates 3.1 to 4 jobs," calculates economics senator Pieroth, who has a bundle of proposals at the ready. These begin with livelihood-establishing premiums (20 percent on the capital saved up in 5 years), are supplemented with business consultation, which is largely free of charge, and finally can end with a providing of equity capital. The "secret fund" for such measures has already been adjusted upwards twice; the DM 1.2 billion which were to last until 1986 will probably be used up soon. Since October, there have been more than 150 applications for livelihood-establishing premiums. Moreover, 32 projects are seeking money from the venture fund of the Senat, among which are 25 new outfits from the microelectronics sector alone.

Thus a sort of wave of promoterism has broken out in Berlin. Already memories of old times are being roused: After 1871 as well, Berlin was the center of that Gruenderzeit [period of rapid industrial expansion]. Today, it is being supported by the Technology Exchange Agency, by the VDI [Association of German

Engineers] Technology Center, which is engaged in promoting microelectronics all over Germany from out of Berlin, and by many research institutions. Berlin's research institutions have taken the initiative on giving more momentum to this innovation offensive: Some 14 days ago, science senator Wilhelm Kewenig was able to present to industry not less than 360 specific offers for cooperative ventures. There, every business can come by scientific partners for new products.

"Berlin must become a German Silicon Valley," according to the slogan of the Senat. People want as many new establishments of businesses as possible, and in this connection they would like above all to put to the test the risk of new technologies. The economics senator is thinking of the United States when he ponders about how "venture capital" can be raised by way of a fund. Two promoters' parks are supposed to be a particular help. They address themselves to the weak point that at present a young independent businessman has to invest too much money in bare premises. Instead of this, it is said, he would prefer to buy machinery, which incidentally is not a new idea. The industrial farms created in Berlin in the Gruenderzeit of the previous century are still standing even today to some extent, giving welcome opportunities for this new Gruenderzeit.

But notwithstanding the euphoria, one must not forget that all too many industrial structures in Berlin are obsolete. For example, the electrical industry is in the process of structural change, and the machine-building industry has to cope with microelectronics--the two most important industrial branches of Berlin. Of course, here there are problems, which in the opinion of the experts will be shared soon by other localities with "old" industries. "In Berlin, one always learns somewhat earlier where developments are heading." So said Hans-Jochen Vogel, as a summary of his "apprenticeship" in the city. The Berlin DGB adds to such a recognition also a reference to the fact that Siemens and AEG alone will eliminate more jobs this year than were promised as a result of the economic conference. Therefore the new Berlin initiatives do not herald any miracle--but alternatives to the path being taken are not in sight, simply because of a lack of funds on the part of the State.

12114

CSO: 3620/351

## THYSSEN'S SPETHMANN ON CRISIS IN STEEL INDUSTRY

Hamburg DER SPIEGEL in German 23 May 83 pp 32-42

[Report on interview with Dieter Spethmann, chairman of the board of the Thyssen Combine, at the central office of the combine in Duesseldorf, with Richard Rickelmann and Rudolf Wallraf, members of the editorial board of DER SPIEGEL: "Now We Are Fighting for Survival. Thyssen-Chief Dieter Spethmann on the Crisis in the Steel Industry and State Subsidies"; date of interview not given]

[Text] For close to 10 years, Europe's steel industry has been caught in a crisis for which there is nearly no solution. In part the steel plants are not even running at half of their capacity. In order to avoid major bankruptcies entailing mass unemployment, the EEC governing body in Brussels regulates prices and production. The governments in the EEC-neighbor countries cover the losses of their in part completely obsolete mills with billions in subsidies and thus prevent the necessary reduction of excess capacities. In the subsidy codex, which was also signed by Bonn, the EEC-governments agreed two years ago to pay public monies only until the end of 1985. The appropriation of state funds makes Brussels independent of rationalization concepts on which decisions are to be reached still this year. Three independent steel moderators have proposed two steel-blocs for the new organization of the German industry--the Rhine-group consisting of Thyssen and Krupp Steel and the Ruhr-group consisting of Hoesch, Peine-Salzgitter and Koeckner Enterprises. Bonn has promised the German steel industry subsidies in the amount of several billion marks. Dieter Spethmann, 57, chairman of the board of the Thyssen Combine in Duesseldorf, has been the chief of the Iron and Steel Trade Association since 1974.

SPIEGEL: Mr. Spethmann, the federal government has promised the German steel industry billions in subsidies. Thus your sector, too, becomes a boarder of the state. You can count on the tax funds, regardless of how your balances come out--is that a good feeling?

S: We must play a game which is forced upon us by Brussels and Bonn. We have never wanted subsidies. And we do not want them today either. What we do want

rather is a price level which is based on the most advantageous costs. With that the German steel enterprises could live well. To be sure, others would then have to close. This is what is stipulated in the European Coal and Steel Community Agreement of 1951.

SPIEGEL: The EEC-Commission makes the payment of subsidies dependent on incisive rationalization measures. Relevant German proposals, however, have been criticized as too scanty. Are you intent upon taking in money without a quid pro quo?

S: If you had this impression, you would be wrong. I, for example, do not know any critique of the Thyssen concept. Thyssen, which in fair competition would have considerably more business than it has today, has offered to shut down 6 million tons of raw steel. That is approximately one-third of total capacity. Is that nothing? Thyssen has shut down enormously since the mid-1970's and modernized, more than any other steel enterprise in Europe.

SPIEGEL: In all probability also because your competition has been after state subsidies for a long time?

S: Everyone must know himself what he believes himself capable of and when he calls for the state. With the exception of Saar-Steel and Korf, all German steel enterprises have weathered the crisis up to now on their own power. If this can no longer continue now, it is not our fault.

SPIEGEL: Whose then?

S: Exclusively of politics. The last federal government did not succeed in putting a stop to the subsidy abuse in Europe. The competitors in Italy, France, Belgium and Great Britain have been artificially kept alive since 1975 with subsidies of about 80 billion marks in tax funds. No private enterprise can in the long run compete against the combined ministers of finance of Europe. Where is the German industrial policy in regard to steel?

SPIEGEL: The crisis is only the fault of others?

S: I stick to the facts. Example: Per ton of steel produced up to 200 marks in subsidies are paid today in the EEC-neighbor states. Were Thyssen to receive 200 marks more per ton, we would have had additional income, before taxes, of about 2 billion marks in 1982.

SPIEGEL: What should the federal government have done differently with respect to steel policy?

S: It should have formulated a steel policy to begin with. It did not recognize the subsidy problem in time. And today, too, it assess it incorrectly. Thus it figures the subsidies of the other European countries at only half of the volume calculated by the steel trade association. It is embarrassing that in the meantime even the EEC-Commission has essentially confirmed our figures. Whoever had the intention of wanting to part ways with an industry perceived as troublesome would have to behave exactly as some gentlemen in Bonn have been do-

ing for years. But that cannot be a conceivable political intention. Bonn, in short, should have pursued a consistent European steel policy.

SPIEGEL: What do you mean here by consistence?

S: The federal government should have insisted on the observance of the European Coal and Steel Community Agreement. In it a general prohibition of subsidies was stipulated in 1951. Nevertheless, since the mid-1970's almost all EEC-countries have engaged in the sin of subsidy rather recklessly. Bonn should have opposed this.

SPIEGEL: How, perhaps through the threat to leave the EEC?

S: To threaten with the stick of ending the agreement would not have been a good policy. There were other means of EEC policy that were available. However, it is not smart that our politicians, as it were, sanctioned a policy of displacement at the expense of the German steel industry.

SPIEGEL: Can you explain this in greater detail?

S: The former federal government, through its agreement to the subsidy codex of the EEC, subsequently gave its approval to the violations of the agreement that had been going on for years and thus removed the basis for a complaint. In the negotiations concerning the codex, moreover, it made a technical error. Everything we had already previously done in Germany by way of rationalization no longer counted. The former federal government, in other words, was hardly prepared for a confrontation in Brussels.

SPIEGEL: That is not likely to change. The responsible minister of economics after the change in government, after all, is still Otto Graf Lambsdorff.

S: With respect to steel, too, there will be a change in Bonn. Even today, Germany still has a capable steel industry measured by world standards. In the future, too, its products are irreplaceable for the German market.

SPIEGEL: You have greater confidence in Helmut Kohl's ability to stand up during his appearances in Brussels than in that of his predecessor Helmut Schmidt?

S: I am convinced that in the future a tougher stance will be demonstrated in Brussels. If the EEC-partners would be able to take an industry for a ride in such unhindered fashion, there soon would be no stop elsewhere anymore. Then perhaps tomorrow it would be the turn of the automobile industry or the chemical industry.

SPIEGEL: Do you really believe that the other EEC-governments would, as is provided in the subsidy codex, discontinue the subsidy payments in 1985 and in exchange risk mass unemployment? That, after all, is unrealistic.

S: What is it that is unrealistic when we insist on the observance of agreements? To maintain obsolete structures artificially is no recipe against unemployment. There must be an order which is obligatory for all. On what else

besides international agreements are we supposed to be able to depend? For our enterprise decisions, too, depend on the respective framework conditions. Relying on them, we spend a great deal of money after all.

SPIEGEL: How do you mean that?

S: During the last 10 years alone, Thyssen has invested more than 6 billion marks in steel, merely to remain modern. And that also in reliance on the European agreement structure. Where will we end up if not just governments, but firms disregard law and statute without embarrassment? Is someone really intent upon toppling the entire European crisis system?

SPIEGEL: Whom do you mean by that?

S: I do not want to name any names. But it is not feasible that, in order to provide protection against ruinous competition, production quantities and prices of steel are set in Brussels, but some act as if all this is none of their concern--in accordance with the motto: Surplus at below-cost price.

SPIEGEL: You have in mind the Kloeckner-Enterprises, which for years have substantially exceeded the prescribed production quantities?

S: Spare me from having to talk about competitors here.

SPIEGEL: You are not only the Thyssen-chief, but also chairman of the Steel Trade Association. This office gave you the possibility, after all, to check such violations.

S: Here you misjudge. The association is okay. But only the commission can punish violations. And penalty notices by the EEC-Commission have already been issued running into the millions.

SPIEGEL: Kloeckner alone is supposed to pay 200 million marks in penalties. But the firm refuses to do so.

S: Kloeckner has made it known that it enriched itself to the tune of 500 million marks through unallowed overproduction. Since the market is subject to a quota, they have taken this money away from other producers. The enterprise speaks of "strangulation quotas". The fact, however, is that Kloeckner, next to Korf, in 1981 and 1982 had by far the highest production level in Germany compared to the year before the war. Such surplus quantities can be forced into the market only through the price. That cost the other enterprises additional billions. Brussels and Bonn must take vigorous action.

SPIEGEL: How is that supposed to happen?

S: According to the agreement of the European Coal and Steel Community, the federal government must take all appropriate measures in order to secure the obligations arising from decisions by the commission. That includes participation in the collection of fines.

SPIEGEL: And if the existence of a combine is endangered by this?

S: That is not our goal. The point is to put an end to the damage which this combine has already inflicted on all others and continues to inflict daily. We are now talking about the existence of the entire industry. Everyone must observe the law that is in force.

SPIEGEL: Is that not pure pedantry? Do you not see the danger that a combine with umpteen thousands of jobs could fold, merely because the Germans want to set a good example in Europe?

S: It is not a matter of pedantry. If nothing happens now, we get ourselves entangled more and more in incalculabilities and contradictions. The end of that will be a general collapse. Everyone will then have his hand in the pocket of the other fellow.

SPIEGEL: You keep talking only about the others: Your competitors abroad are taking in too much tax money, our own government does not do anything. What precisely have the mills themselves done to overcome the structural crisis in the steel business?

S: I am now talking only about Thyssen. In 1974 we still had 21 blast furnaces in operation for the production of pig iron, today there are 11. Of previously 28 smelting plants for the production of steel, 13 are still operating today. Of formerly 20 rolling mill trains for semi-finished products, sections and wire, only 13 are left. All of that was very good for our productivity. In fair competition, we need not be afraid of anyone or anything.

SPIEGEL: Not even the Japanese with their thoroughly rationalized plants?

S: Not even them. They, by the way, during the past few years have built exclusively Thyssen-type hot wide strip mills.

SPIEGEL: Then we do not understand why it is precisely Thyssen which still demands subsidies in the amount of several million marks.

S: Bonn must decide what concrete measures one wants to counterpose to the subsidies of the others. Besides, Bonn knows that a steel industry loses its competitiveness very quickly if its investments shrink.

SPIEGEL: You have not answered our question concerning the subsidies for Thyssen: Is the state supposed to give you money although you do not need it?

S: No. Thyssen makes very purposeful use of the money. It is completely in the national economic interest if Thyssen is able to invest at the same rate as is done, for example, by the subsidized combines British Steel, Italsider or some French state enterprises.

SPIEGEL: If even Thyssen, the most modern steel combine, accepts tax money and gets used to it, who will then later make a case for the abolition of the subsidies?

S: Everyone. It is my firm conviction that all German steel producers will do so. If no subsidies were paid anywhere, there would not be a problem for

the Germans today. We would all like to remain free entrepreneurs.

SPIEGEL: When you affirm free enterprise in the steel business, is that not pure nostalgia? Those times, after all, are definitely gone.

S: What appears as nostalgia to you, is real for me. In the FRG we are able to produce steel and steel products at competitive conditions. I cannot imagine that politics is out to eliminate this capability.

SPIEGEL: But as soon as free competition prevails, the old problems immediately crop up again.

S: No. If as of January 1, 1986, no more subsidies are paid, we will find out who has rationalized his factories so as to be able to survive in fair competition. Some will possibly have problems then.

SPIEGEL: Precisely. German firms, too. And when bankruptcies and mass unemployment threaten, the state has to jump in again.

S: No state can afford to let entire industrial sectors become boarders of the state on a permanent basis. In the short or the long run, every national economy would have to disintegrate as a result.

SPIEGEL: But how are you going to solve the unemployment problem?

S: Certainly, several thousand jobs will still be lost in the German steel plants. But we will remain a competitive steel industry. That is our most important contribution to employment.

SPIEGEL: Where do you get your optimism?

S: From my conviction. In its investments, the German steel industry should predominantly orient itself to the satisfaction of the domestic demand. That would correspond to a raw steel production of 35-40 million tons. For comparison: In 1982 the figure was 36 million tons.

SPIEGEL: Does this mean that customers in our country are to be allowed to purchase only German steel? Are you planning to close the borders?

S: No, I am not in favor of protectionism. Traditional trade flows, that is relations with clients that have evolved over time, are to remain unaffected. But what speaks against closing the borders to subsidized material or to levy surcharges in the amount of the paid subsidies? According to the GATT\* rules, we are allowed to defend ourselves against the illicit subsidy practices of third countries. Why should we be subject without protection to unlawful conduct in Europe? The United States, for example, knows how to defend itself.

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\*) General Agreement on Tariffs and Trade, which regulates the trade relations among the 88 signatory states.

It is not comprehensible, after all, that we lose our most important clients to foreign taxpayers.

SPIEGEL: Is that for you the only thing to hold large clients like the automobile industry?

S: We vie for all our clients through quality and reliability of our supply.

SPIEGEL: In so doing you nevertheless would still not get around the necessary restructuring in the industry. There is, after all, simply still too much ordinary steel production.

S: The restructuring of the German steel industry is necessary one way or the other. That there are excess capacities and locational problems no one denies. Probably a few things will happen there, too.

SPIEGEL: What, then, should the industry look like in the future, according to your conception?

S: I could imagine that in a few years there will be two nearly balanced producers in Germany of European magnitude and a number of specialists in addition. I agree with the proposals of the three steel moderators.

SPIEGEL: The experts proposed the fusion of Thyssen and Krupp Steel at the beginning of this year and furthermore suggested a union of three consisting of Hoesch, Salzgitter and Kloeckner. Why has to date nothing come of these proposals?

S: Something like that does not happen that quickly. Nevertheless Thyssen and Krupp are intensively working on it.

SPIEGEL: It is understandable that you like the paper of the moderators. For there is nothing equivalent to counterpose to the Thyssen-Krupp bloc.

S: There is. If we are talking about the fusion of steel enterprises, the combination of Thyssen and Krupp makes sense in terms of national economic and managerial considerations. But the other proposals, too, contain so many precise assessments that one can hardly ignore them.

SPIEGEL: Some fear that, with the aid of tax money, Krupp and Thyssen will become so strong that the competitors run into difficulties only more quickly as a result.

S: But no, the competitors are quite capable of drawing even.

SPIEGEL: The union of three consisting of Hoesch, Kloeckner and Salzgitter will probably not come into being. And between Thyssen and Krupp there have been snags for weeks. The fact that everyone is talking with everyone else, after all, still does not prove by a long shot that the steel bosses are willing to go along with fusions for reasons of rationalization.

S: All large enterprises appointed the moderators on November 16, 1982. For two months all boards of directors held discussions with the moderators. Now we must do calculations. This we owe to our shareholders and employees, who are carrying a heavy burden.

SPIEGEL: In connection with the proposed union of three it has become clear that no combine is prepared for compromises. The Salzgitter-Combine, for example, has refused the fusion with Hoesch because the state government in Hannover does not want to grant permission to have the firm's headquarters moved to Dortmund. The Metalworkers Union fears for its co-determination rights in the European Coal and Steel Community. And the board of directors, finally, does not want to lose its independence.

S: Every enterprise must make its decision on its own responsibility. And everyone knows that everything which does not make possible optimal rationalization costs money and makes the competitive situation worse.

SPIEGEL: So the unreasonableness at some point in time necessarily leads into bankruptcy. Or the taxpayer has to come to the rescue again.

S: You may see it that way. But one also has to see that the sum of the managerial optima does not have to correspond to the national optima.

SPIEGEL: So it depends on the egotism of a few managers, politicians or trade union officials whether tens of thousands of jobs are endangered?

S: It does not depend on the egotism of managers. However, the lack of political courage can have very painful consequences.

SPIEGEL: If boards of directors fail, would the firms' banks or the owners not then be called upon?

S: Boards of directors, owners and employees have up to now withstood the pressure for subsidies. The firms' banks have accompanied the path of the steel enterprises. No one should attach little value to these achievements.

SPIEGEL: But now the shareholders and creditors are cleared of responsibility?

S: No, whoever has assumed a task in industrial society is thus also responsible.

SPIEGEL: But up to now only Bonn has promised remedies.

S: The entrepreneurial will to maintain an efficient steel industry exists. But now we all need the flank protection of politics. Everyone must find out where and how the devastating consequences of foreign subsidies are circumscribed. Otherwise all efforts on the part of enterprises are in vain. Bonn must show the flag.

SPIEGEL: Mr. Spethmann, we thank you for this discussion.

## MICROCOMPUTER FIRM SYMAG WINS CONTRACT IN MADAGASCAR

Paris LES ECHOS in French 28 Apr 83 p 8

[Article by Honore Berard: "\$10.6 Million Contract with Madagascar for Symag (Microcomputers) of Grenoble"]

[Text] The Grenoble firm Symag (manufacturer of professional microcomputers) recently signed a \$10.6 million contract with the Democratic Republic of Madagascar.

Under this agreement Symag will implement a 3-year plan to install 600 work posts designed to improve the management of the Malagasy economy in troubled areas such as customs and taxation, commerce and distribution, banks, energy, agriculture and education.

The contract is based on the principle of sharing technology with the Malagasy Institute of Innovation which will gradually lead Madagascar to complete industrial autonomy, even in the area of original product design (hardware and software).

What is actually happening is that where the "biggies" in data processing and electronics are offering their potential clients "ready made" material (the supplier often chooses the client), Symag is offering "made to measure" that fills specific needs.

Madagascar, which gradually wants to industrialize, could also become an export center for East Africa in the areas of electronics and data processing. In addition, this cooperation agreement falls within the framework of the policy of assistance to least developed countries that is being conducted by the IBI (Intergovernmental Bureau of Informatics) and has received the support of this international institution.

It is expected that the IFCI (Institute for Training and Advice in Data Processing) of Grenoble, directed by Professor Peccoud, will provide the technical assistance for the training of the Malagasy teams.

IMAG (Data Processing and Applied Mathematics of Grenoble) will participate in defining data processing programs.

With this agreement, Symag (23 million turnover in 1982 after its first 3 years) will be earning half of its turnover from exports. This Grenoble small business will provide Madagascar with the 4,000 micromachine with 16-bit microprocessors.

This activity, entirely Grenoble-based and with an industry-university alliance, is part of the North-South policy.

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## AUROUX PROMOTES SCIENTIFIC COOPERATION WITH JAPAN

Paris LES ECHOS in French 28 Apr 83 p 11

[Text] "French-Japanese cooperation in science and technology will necessarily spill over to the industrial level," Jean Auroux, secretary of state for energy (who was standing in for Laurent Fabius) announced clearly in his opening speech at the French-Japanese symposium on leading edge technologies.

France has the firm intention of cooperating with Japan in the scientific area, because their strong points complement one another: nuclear energy, space, aerospace and telecommunications in the French basket; automobiles, mass consumption electronics and robotics in the Japanese.

As an expansion of contacts already taken upon the initiative of the president of the republic, the current symposium focuses on three "touchy" issues: solar energy, materials of the future and advanced robotics. In the first area Jean Auroux announced an agreement being developed between Photowatt (photovoltaic subsidiary of the CGE [French General Electric Company], in which the French Agency for Controlling Energy has a share) and the Japanese firm Fuji for exchanges of polycrystalline and amorphous silicon techniques.

France intends to extend this scientific cooperation to include industrial cooperation as a way to balance the agreements between the United States and Japan or the United States and Europe. Jean Auroux has set a single condition: "This cooperation must rest on balanced relations," and this balance can be based on technology transfers or on access to new markets. An example is the Elf agreement in carbon fibers and also the Thomson-JVC agreement for videotape recorders.

In his reply, Mr. Komatsu, vice-minister of MITI, openly proclaimed that Japan intended "to open its doors to all exchanges" and "to work for the development of an international policy for leading edge technologies in cooperation with foreign countries and firms." He stated that foreign firms located in Japan would benefit equally from the assistance of its government, as soon as they prove their effectiveness.

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## BRIEFS

SAINT-GOBAIN SUBSIDIARY IN CHINA--The firm Sidel, a subsidiary of SMTP (Saint-Gobain conglomerate) recently signed a 3 million franc contract with China. Sidel, which specializes in machines that manufacture plastic containers, is one of the very first French firms to penetrate the Chinese packaging market. The containers it will manufacture will hold milk products. China has huge packaging needs. The Japanese, Italians and Germans are already present on this market and there is still a lot of ground to be made up by the French, who, however, may now benefit from one advantage--in November China and France signed a cooperation agreement in the area of packaging which, in particular, includes building and equipping a national research and testing center in Beijing. The national testing laboratory is responsible for this contract. Because French standards will be used, businessmen may be able to make up for some of the lost time. But they must still point their noses in the direction of Beijing. Some will be going there for the Agriculture and Food Show in July, but there are few candidates for the packaging show in November. [Text] [Paris LES ECHOS in French 6 May 83 p 4] 9720

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## DETAILS ON AGREEMENT SIGNED WITH HUNGARY

## Aluminum, Steel

Athens | KATHIMERINI in Greek 26 May 83 pp 1, 3

/Excerpts/ The Greek government considers as particularly fruitful in the economic cooperation sector the Greek-Hungarian summit talks in Budapest on the occasion of the 3-day visit of Premier A. Papandreou.

Yesterday afternoon, shortly before the departure of Premier Papandreou and the Greek delegation from Budapest, a joint communique was issued and a 10-year agreement of economic cooperation between Greece and Hungary as well as a number of other separate agreements were signed.

## Alumina and Steel

With regard to the separate agreements, National Economy Alternate Minister Giannis Pottakis announced to reporters that in addition to the agreement providing for tax exemptions--thus opening the way for joint ventures--and the two agreements in the agricultural sector, Hungary agreed to purchase 400,000 tons of alumina annually on a long-term basis. This alumina will be produced with local sources of energy, that is, with geothermy from Nisyros and Milos and will provide about 4,000-5,000 new jobs. This, together with the factory to be established by the Soviets, will provide an annual inflow of 250 million dollars in foreign exchange.

Pottakis also announced as a second important agreement the acceptance by Hungary of a Greek proposal to buy on a long-term basis 10,000 tons of stainless steel annually. This development, the finding, that is, of a buyer for the stainless steel factory which has been built by the West German company Thyssen, is a very important development for our country, according to Pottakis who also pointed out that this agreement facilitates the export of the LARKO Co. ferro-nickel and helps replace the imports of stainless steel with the local production of the product.

"In addition," said Pottakis, "there is also a 'package' of separate agreements: the agreement for the exploitation of the Ioannina Lake by establishing there a fish hatchery while a second one is to be established in Nigrita; and the agreement for the establishment in Evrytania of an

animal raising farm for meat production.

#### Cooperation in Transport Means

Athens | KATHIMERINI in Greek 27 May 83 p 13

/Excerpt/ /During the Budapest summit meeting/ the terms for joint production of materials used by the Railways Organization of Greece (diesel locomotives, train cars, etc.) were discussed. The cooperation between GANZ-MAVAG and Greek companies (Elevisis shipyards, PYRKAL) provides: the largest part of the added value is made in Greece; for the foreign exchange part (Hungary's part) payment is made with Greek products and not in foreign exchange. Also, the talks are continued with regard to having Hungary assigning to Greece part of construction work it has assumed in third countries.

It was agreed to construct immediately a greenhouse in Nigrita which will be using geothermal energy. It is expected that the project will be in operation in 1983.

Hungary accepted a Greek proposal to provide Greece with the necessary quantity of MTP (a chemical product for reducing lead in gasoline) and to increase the number of transit permits for trucks passing through Hungary, thus facilitating Greek exports.

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## PASOK REPORTEDLY SETS POLICIES TOWARD 1984 ELECTION

Athens | VRADYNI in Greek 25 Apr 83 p 1

/Article by T. Athanasiadis: "Papandreou's Secret Plan Toward Elections in 1984" /

/Text/ Deeply worried because of PASOK's rapid decay and the government's inability to deal with the great problems--which has made its own policy more acute--Premier A. Papandreou has drafted in cooperation with two or three associates a plan which is at the same time a timetable for the country's move toward elections in the spring of 1984.

ND parliamentary spokesman Kon. Mitsotakis speaking at a large gathering last night in Kerkyra referred to the possibility of an early election and said that the parliamentary elections may coincide in May 1984 with the elections /of deputies/ to the European Parliament. Steps in the timetable toward the election are:

- a. The signing of the agreement for the bases which is regarded as the key to open the faucet which will bring the desired foreign investments and to settle important issues such as the procurement of approximately 120 military planes.
- b. The changes in the leadership of agencies and banks and the dismissal of 14-15 nomarchs considered to have failed.
- c. The cabinet reshuffling (which was discussed extensively as a possibility by VRADYNI first among the newspapers) by 15 June if not earlier (shortly after Easter) and to an extent that will surprise.
- d. The political exploitation of the impressions made from the exercise of the EEC chairmanship by Papandreou during the second half of 1983.
- e. The surprise introduction of the electoral bill to the Chamber of Deputies. Reliable reports say that Gennimatas has already prepared four electoral bills, one with simple proportional and three with variations of a reinforced proportional.

One should not rule out the possibility that Papandreou may surprise everyone

even his associates, according to some political observers, by calling for an election suddenly in the fall of 1983, knowing that ND expects them for May 1984. The same circles argue that something of the sort should be regarded as certain if the premier foresees that the decay of his government during the first half of 1984 will be greater than that of 1983.

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## POSSIBILITY OF COUP IN PRESENT EXACERBATED PARTISAN CLIMATE

Athens 1 KATHIMERINI in Greek 4 May 83 p 5

/Excerpts/ In the pain of the dictatorship we had all--right, center, left--admitted "Mea Culpa". In the enslavement and in the face of the size of the catastrophe and humiliation, we had understood how cheap and unwise were the feuds of the past. And we had sworn and pledged to ourselves and each other never again to slide down to enmities, and conflicts and all types of excesses, and to conduct, after our liberation, our political struggles with decency and a spirit of mutual respect.

In the years that followed the demise of the tyrannical regime and the restoration of the most perfect democratic system our country has seen since the creation of the modern Greek state--and they all agree on this--we have noted no cases of discord, enmity, and strong passions such as those that existed during the "deathbed" periods of democracy in the past. But now they begin to reappear, we fear, with increasing intensity. And we will say with every objectivity and without prejudice that the artificial exacerbation comes mainly from the side of the governing party and then from certain circles to the left of PASOK.

All the political people to the right of the governing party--and by extension the section of the Greek people that follows them--are being insulted as though they have no reason to exist, as though their views and convictions are almost forbidden.

The cultivation of artificial discord and the tendency toward a de facto single-party regime reach the point that there are small towns and villages where the local paragons of the governing party advise their followers to patronize different coffeeshops from the "others". Let us turn to the way the recent--and painful--history of our country is presented and treated.

Ever since this newspaper started publishing again after its closing by the dictatorship, we supported the complete elimination of the conditions which were created from the psychoses born out of the bloody internal conflicts of the postwar period, and out of their exploitation.

We supported the end of discriminations, tensions, and one-sided actions of the past--not their reversal, that is, their rekindling from the opposite side. We advocated an end to whatever was left from the climate and the

consequences of civil conflicts, not their return from the opposite side and with greater intensity at that.

Yet, unfortunately, this is exactly what is happening--in a crude, provocative way which shows, inter alia, shallowness and immaturity. One is tempted to think that the "other side" has just emerged victorious from a civil war and has set up its own one-party regime, imposing its views as the official, exclusive dogma. We see with dismay certain symptoms of a slide to such an immature and negative practice by the section of the traditional left which had the recognition of the errors and unwise ambitions of the past as the main reason for its Note: KKE-Int. differentiation and expression of political maturity...

We have already noted the dangerous developments--provocation leads to persecution--caused by these phenomena. Those who are responsible for these phenomena are cutting down the branch on which they sit. They should recall the climate of the early post-dictatorial years and they should compare it to the present. Let us not forget that when the "rules of the game" of democracy are violated by one side against the other, in the end those rules are completely destroyed by third parties Note: putschists to the detriment of all...

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## KKE POLICY VIS-A-VIS PASOK SEEN CHANGING DESPITE DIFFICULTIES

Athens TO VIMA TIS KYRIAKIS in Greek 24 Apr 83 p 8

/Article by Panos Loukakos: "More Criticism and Less Support from KKE"7

/Text7 KKE and PASOK appear ready to break more than Easter eggs, thus breaking up a political idyll which lasted for 6 months. It is now evident that government and leftist opposition march to the point of confrontation. It is easy to predict that this confrontation will escalate to a clash which has long been brewing in the area of the communist left.

The KKE leadership is already facing strong pressure from the rank and file. In the syndicate area, the KKE cadres have started to shift autonomously away from the official party line, as they face insurmountable difficulties when they try to pass. This line to the rank and file raises with increasing frequency the argument that even under a socialist government frugality is one thing and demand another.

"The party is one," according to Kh. Florakis, but the line is breaking into more than one as the rank and file and many leading KKE cadres ask the leadership to engage in "more opposition."

This pressure has already led the KKE leadership to revise its attitude toward PASOK. The policy of critical support of the last 6 months will be replaced by another which will not, however, go as far as the level of a war of attrition as expected by certain government cadres. The KKE has no reason to launch such a war which in the final analysis would only benefit the New Democracy. On the other hand, the Communist Party, according to the assessment of leading cadres, must adopt a much harder line toward the government to stop receiving even a small part of PASOK's natural decay from its exercise of power, although KKE does not participate in exercising power nor is it going to participate.

However easy in theory, the practice is shown to be very difficult and this is the big problem facing KKE.

First question: How can KKE exercise hard opposition without indirectly helping ND?

Second question: What arguments can KKE use in its opposition in order to

reach a public wider than its close supporters?

Third question: What forms will PASOK's counterattack take when KKE starts its attack?

The problem of KKE is great and the dilemmas facing the KKE leadership are many. These dilemmas are taking a more acute form since beyond the objective difficulties are also subjective difficulties.

First among them is the fact that because of KKE's feud with KKE-Int., KKE adopted theses and views which are addressed mainly to the traditional following of the communist left, which was the bone of contention.

KKE, of course, has now pushed KKE-Int. off the political stage, but its monolithic and inflexible line of the last few years has created conditions which cannot be easily removed in one day (or from one year to the next, to be more exact). Thus, it is not easy at all for KKE to chart a new political (opposition) course.

An additional difficulty facing KKE today is the generation gap among its cadres. Those younger than 35 speak a different language from those over 55. The in-between age levels which could play a decisive role in the search for a "new face" for KKE, with wider appeal, are missing because of the known events in post-war Greek history.

All these subjective difficulties facing KKE are no less significant than the objective difficulties in the effort of the Greek communists to chart a new course toward PASOK. Because their opposition will reach only to the extent of its content and will not be confined to slogans and opposition for the sake of opposition.

But until now neither KKE's parliamentary representation nor its newspaper have shown clear evidence of the required broad-range policy.

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## ND'S TURN TO 'RADICAL LIBERALISM' ANALYZED

Athens TO VIMA TIS KYRIAKIS in Greek 24 Apr 83 p 9

/Article by Mikh. Dimitriou: "ND: Center-Right Visions With Old Extreme Right Cadres"7

/Text7 New Democracy leader Evangelos Averof is attempting a spectacular but also agonizing shift in the party's ideological orientation. His target is to overcome the "centrist" opposition within the party and to gain back those who left ND when Rallis embraced--before the election--the extreme left.

Thus, Averof, who earlier had systematically avoided any reference to the party's ideological principles as they were defined by its founder at the First Panhellenic Congress in Khalkidiki, lately assures everyone that he believes in "radical liberalism" and the sincere center-right character of the ND.

Specifically, Averof, who until lately had chosen as the permanent form of opposition the old-rightist "danger-mongering," is now presenting a new image with the following content:

- a. He gave instructions to 17 working groups in the party to draft a "new governmental program" for the ND based on the views of radical liberalism.
- b. He repeated the known dictum of the party's founder that the ND is above the deceptive labels of Right Center, and Left; in other words, that ND is a broad political camp with a corresponding ideological spectrum. This view was emphasized at the impressive gathering last Monday at the "Sporting" by Averof as he introduced the main speaker, Miltiadis Evert.

No doubt these new orientations sought by Averof will cause extensive discussion regardless of the problem as to how the old-rightist personal environment of Averof will adjust its policy and be able to convince.

The first question is why Averof decided to bring back from obscurity the declarations of radical liberalism and to end the loud claims of his immediate associates that "we must say and shout that we are rightists."

Of course, this shift by Averof who has the confidence of the old-rightist

wing is related to the view that other rivals within the party--and above all, Rallis--could express the necessary transformation of the party into a center-right camp which could attract a large segment of PASOK's "dissatisfied voters." He believes now that for them he is closing the road and the expectations, however, it would be a mistake to interpret Averof's shift as only a narrow inter-party maneuver.

According to "leaks" from Averof's environment, he is not prepared to resign soon from the leadership of the party and it is said that in his decision to stay on, Averof is lately encouraged by a personality which has decisive views on ND's leadership problems.

In this regard, Averof's embrace of radical liberalism will force some of his associates to refer more often to the beliefs of Karamanlis which were not always respected according to Rallis' book. In any event, intentions and verbal declarations are not enough to convince that the way of thinking has changed and that the party has been modernized. It is necessary, as in the case of Giannis Boutos, to have a continuous, long-lasting and politically consistent line within the party.

This is not the problem Averof faces. A systematic policy to open toward the center to put up a persuasive center-right image may encourage the undermining of his leadership position but also the political survival of those who are his "trusted" associates (Papakonstandinou, Laskaris, Tsaldaris, Papadongonas, Anagnostopoulos). Thus, before Averof is able to transmit these views to the popular masses he must persuade the leading cadres of his immediate circle to accept them as a fundamental mode of political behavior.

Averof's view about systematic personal attacks against Premier Papandreou and other cabinet members is not a center-right political behavior. Above all, a "center" shading in the political ideas and in the political conflict requires--as the ND founder did in the past and as A. Papandreou always does--avoiding the tactics of personal attacks which, when unrestrained, are nothing other than attacks on the institutions.

Moreover, any center-right shift in a party cannot be persuasive at least in terms of impression unless the leadership of the party--Averof in the case of the ND--applies participatory processes in the functioning of the party mechanism, if, that is, Averof accepts a reduction of his present leadership power and of the leadership type of command and guidance of the party mechanism he has imposed.

But does Averof feel strong enough to implement these center imperatives and to renew persons and ideas after having appointed, by his own decision, the members of the Political Office and those in charge of the party's central mechanism? The behavior of the ND leader and of his key associates provides a negative answer.

In any event, at the Sporting gathering last Monday, the ND leader heard from former Finance Minister Miltiadis Evert that "our problem is not how to convince the people about PASOK's incompetence. Our problem is to convince the people that there is an alternative party with governing experience which has new ideas, new cadres, and new projections..."

Precisely the triptych of problems analyzed by Evert in his speech calls for a comprehensive and many sided renewal of the ND which today appears problematic if not impossible. Because the very same persons that were unable to convince they could serve as the governmental continuation of 1980, cannot easily convince that they are a renewed political form of "something different from PASOK and ND."

According to Averof's general instructions, ND's governmental program must be based on "center-right ideas" in order to "satisfy strongly those who belong to our camp or to attract those with kindred views."

But to achieve this--beyond the memories of ND's governmental experience, the party of ND must find the corresponding political and social forces which will support it. In other words, it must express clearly the interests of those social forces with their specific ideas and proposals and to do this with successful strategy and tactics. But this "corresponding affinity" has not been found by PASOK's "disgruntled followers" and moreover, it remains unclear and undefined even for those who voted for ND in the parliamentary election.

Those who voted for ND in 1981 in their great majority feel homeless today and are not organized in the party. Proof of this is the small membership of ND syndicate groups as well as the activities of many clubs and movements of personalities which give lectures and organize other activities without any contact with the ND headquarters on Rigillis Street.

No doubt Averof's choice for a center-right orientation is a necessary ideological shift after several months of wandering in the paths of danger-mongering, but not necessarily the party's "take off" from the crisis it is currently undergoing.

In addition to the blessings for extending his leadership tenure, Averof's center-right choices are more of an inter-party maneuver. This is because Averof's new-found ideological preferences are not for the time being more than a generalized preaching of democratic character if one can judge from the popularization of the concept of radical liberalism sought by Averof in his instructions to the 17 working groups. But before Averof can convince the party cadres and some Greek citizens he must convince the unrepenting old guard rightists (both from the right and the center) cadres to accept these new principles in the economic and the political level.

This implies that in the end all those--inside and outside the party--who raised Averof to the leadership of ND will help to eliminate themselves and pass into the sidelines of political life.

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## EANIST SOLUTION AS 'SALVATION' TOUTED

Lisbon A TARDE in Portuguese 5 May 83 p 1

[Commentary: "Gaullism"]

[Text] As we said yesterday, the one who may reap benefits from the situation of political deadlock into which the country may fall is General Ramalho Eanes. That is an obvious factor which in itself bears out those, like us, who realized from the start that the abrupt and inexplicable resignation of Pinto Balsemao, with the subsequent dissolution of the Assembly of the Republic and the calling of early elections, was clearing the way for progress by the Eanist plan.

There was no lack--and there is still no lack--of people to deny the relevancy of that analysis. But what is certain is that the pieces of the puzzle are falling into place and that the outlines of possible intervention by Belem Palace are becoming clearer and clearer. It will happen either immediately (if the coalition between the PS [Socialist Party] and the PSD [Social Democratic Party] fails to materialize) or within a few months (when the "center bloc" predictably collapses).

National and international observers seem unanimous on this point: never have the conditions for a takeoff by the Eanist party been so favorable. Witness how eagerly some of its habitual propagandists are devoting themselves to praising the potentialities of an alliance between Mario Soares' PS and the PSD.

The article "Portugal Heading for Gaullism," which appeared in the British magazine THE ECONOMIST and which was repeated in our press, expresses a state of mind that is spreading: the Eanist party, with "a good possibility of winning the elections," would be based on the authority of one man and on Portugal's need for a strong presidency.

Everything is therefore being done to predispose the Portuguese to go along with the "salvationist solution" of Eanism, just as has happened on other--and not too distant--occasions in our history. Except that we do not see the appropriateness of the references to De Gaulle. The fact is that not just anyone can have the stature of the French general.

## JUDICE SEES 'TURN TO LEFT,' 'EANIST DANGER'

Lisbon DIARIO DE LISBOA in Portuguese 10 May 83 pp 4-5

[Interview with Miguel Judice, member of the Social Democratic Party, by F.M.; date and place not specified]

[Text] There was surprise and some controversy when Miguel Judice joined the Social Democratic Party [PSD]. It had been expected that he would join the CDS [Social Democratic Center Party], in which, incidentally, his political career had the chance of progressing rapidly. But he chose the PSD. He has always held a minority viewpoint classified as "rightwing." He has one strength, however, and that is his pen in the newspapers and his words on radio and television. He was one of the first to criticize the government coalition between the PS [Socialist Party] and the PSD. As a teaching assistant at the School of Law, he was a supporter in Coimbra before 25 April [1974] of the "pluricontinental" solution. Ideologically far to the right, he has moved even faster in that direction since 25 April. He likes to say that in Portugal, being on the left always means radicalism. And in Portugal, hasn't the Right always been that way and only that way? During a recess in the PSD National Council meeting, Miguel Judice talked to us about the current political moment, the coalition government, the PCP, and Eanes. And Miguel Judice now maintains that the solution should be a "Socialist government" alone, with the PSD making it viable through Parliament. The reason, Miguel Judice agrees, is that "the country has turned to the left."

DIARIO DE LISBOA: Dr Miguel Judice, you were one of the first people to object publicly to the "center bloc" with the argument that there would be no democratic alternation.

Miguel Judice: Indeed, I was always one of those most opposed to the center bloc--the PSD-PS government coalition. I began to oppose it immediately in 1977 and 1978. I engaged in lengthy polemics with Sousa Franco, and today I am continuing to uphold that viewpoint. The thesis that there is no other solution strikes me as deceptive, false, and dangerous. There are always solutions

politically, so anyone who supports a PS-PSD government must assume responsibility for his act, whether everything turns out well or badly. If everything turns out well, he must have his reward; if everything turns out badly, he must take his punishment. There are other solutions besides that of a PS-PSD coalition.

DIARIO DE LISBOA: Does this entry into the government reflect a greed for power?

Miguel Judice: I feel that there are three kinds of people supporting the idea of joining the government. First, there are those who have total good faith--who are convinced that with this agreement, they will be able to demand from the PS what the PSD was not capable of doing when it headed the government. There are also those who want to join the government because they intend to maintain certain kinds of positions that they would not like to see lost, and lastly, there are those supporting a strategy of potentially permanent coalition with the PS because they consider that to be the solution. But probably for tactical reasons, they are not trying hard. On the contrary, they are doing very little on behalf of the agreement between the PS and the PSD.

Last Possibility?

DIARIO DE LISBOA: There are those who say that this is the last possibility for the current party system as such.

Miguel Judice: It may or may not be the last possibility within this system. When I oppose it, I do so because there may be that risk. I feel that everything possible must be done to avoid a rupture, and that has been my personal strategy. Not because it is not possible to have a rupture and a new democratic system, but because of the danger that if there is a rupture, the process may get out of control. We must try everything to reform the system.

DIARIO DE LISBOA: But don't you feel that by making the government inviable, you are hastening precisely that process?

Miguel Judice: In the first place, I am not making the government inviable. I am trying to convince people of my opinion. I feel that there are other solutions, given that a consensus between the country's two largest parties at a time like this, with the problems being experienced by the country and the contradictions causing them, is far from enabling us to find an effective solution to unstable government and cutting off the possibility of an alternative within the framework of the system, and that is what I consider serious.

DIARIO DE LISBOA: Don't you even consider it politically pleasing that this coalition has a two-thirds majority in Parliament and is regarded as a "center bloc" against Eanes?

Miguel Judice: It is a fact that the leadership of the PS and the leadership of the PSD are firmly hostile to the Eanist plan in word and deed. I have been against it for a long time, and I do not retract a single line that I have written on the subject. The problem presenting itself here is that of knowing

whether, as Santana Lopes said, the dangers of Eanism are going to exist now or 2 years from now. My conviction is that General Eanes is currently advancing all along the line. But it is not his political time, it is not his strategy, and he is not ready. There is no danger today. If the PSD and the PS, which are firmly devoted above all else to the non-Eanist bloc, fail--and there is a serious possibility that they will--then yes, General Eanes will be in an excellent position 2 years from now to advance with his plan for personal power if he has one, and I am convinced that he has.

DIARIO DE LISBOA: Isn't anyone thinking about the country's real problems?

Miguel Judice: That is my concern, and precisely because of that, I consider it essential that the politicians--and I am humbly one of them--exhibit an essential feature: they must deserve people's confidence--they must always do what they say they will do. During the PSD's entire election campaign, I said that I opposed the center bloc.

DIARIO DE LISBOA: That was in the Lisbon District. I did not hear Mota Pinto say that in the rest of the country.

Miguel Judice: I campaigned in Lisbon, not in the other districts. I feel that for the system to be solid, there must be a relationship of trust between those carrying out political acts and those who voted for them in the elections.

Country Has Turned to the Left

DIARIO DE LISBOA: So what solution...

Miguel Judice: So there is that essential feature. The country clearly wanted a leftist government. I, who am considered to be in the rightwing of the PSD (and it is not important to discuss that now), feel that it is not inappropriate [as published], now that the country has turned to the left and since the PSD was defeated and did not do so during its 3 years as the leader, for it to make the new government pursue policies more to the right. On the contrary, I feel that it is time to give the PS the conditions for governing alone without having problems in the Assembly of the Republic. Having a minority government is not bad; what is bad is to lack majority support in the Assembly of the Republic.

DIARIO DE LISBOA: But don't you feel that with the parliamentary agreement, you would be compelled to accept decisions and not interfere?

Miguel Judice: The realism of the PS might lead it to negotiate with the PSD in Parliament, and when the PS insists, the PSD would have to abstain. The very clear issue is this: it cannot be said at the same time that the PCP cannot enter the government area and then make Socialist governments inviable.

DIARIO DE LISBOA: Yes, but...

Miguel Judice: Because look: it seems necessary to me to create the conditions in which the CP will not be able to reject the possibility of entering the government area. I feel that radicalism--the penchant for gerontocracy and its

archaic character--has to do with the irresponsibility attributed to it by telling it: "You will never be able to take responsibility." That generates irresponsibility, and I consider that very serious. I feel it is time to begin creating the conditions--which are not yet fully developed--in which the Communist Party can be forced to feel responsible rather than the opposite or even, considering the country's difficulties, letting it continue to be rewarded with more votes.

DIARIO DE LISBOA: You are supporting the PCP's entry into the government.

Miguel Judice: As is obvious, the last thing I want is for the PCP to enter the area of power. But what does not seem reasonable to me--and it was in that context that I said it--is to say that the PCP cannot enter the area of government and then to say that the PS can only govern with the PSD. I feel that two conceptions of the system and the parties are at issue here. The parties, because there is one party that is always in the government and allying itself either with the Right or the Left--a fact that inevitably turns it into a small party--and another party that heads a bloc and is alternately in the government and in the opposition.

Emerging Eanism?

DIARIO DE LISBOA: Do you think that what people call the "danger of Eanism" exists?

Miguel Judice: I think so. I feel that if the PS-PSD government fails, as I am convinced that it will, it will be very difficult at that point to succeed in preventing General Eanes' myth of salvation from receiving significant support from the voters. It is obvious that at that point, an attempt will be made to show that that plan has errors, defects, and dangers.

DIARIO DE LISBOA: Are there alternatives?

Miguel Judice: It is necessary to start creating them.

DIARIO DE LISBOA: How about Freitas do Amaral?

Miguel Judice: I don't know, and yet I can't help knowing. Prof Freitas do Amaral is not involved in political activity. I am a Social Democratic militant. The alternative for me will have to be based on decisive leadership of the Social Democratic Party.

DIARIO DE LISBOA: There is also talk about a possible party of liberals.

Miguel Judice: I consider that improbable.

11798

CSO: 3542/134

## 'GROUP OF 199' ADMITS NEW PARTY POSSIBILITY

Lisbon DIARIO DE NOTICIAS in Portuguese 13 May 83 p 3

[Text] Scheduled for this weekend at the Higher Institute of Labor and Enterprise Sciences in Lisbon is a meeting by adherents to the so-called Manifesto of the 199. A source close to the sponsors of the meeting told the NP that the meeting "is actually the first congress of a new political organization."

Saying that considerably more than 1,000 people have now given their support to the manifesto, the source close to the organization behind the meeting acknowledged "the possibility that the movement will become a party in the very near future."

He added: "Although it will not have the formal aspects of a congress, this meeting will in fact be the first congress of a new organization." He also admitted that the makeup and organization of the signers will be on the agenda.

The secretariat for organization of the meeting--which can be attended only by those who signed the document--is headed by Teresa Santa Clara Gomes. Jose Carlos de Vasconcelos is coordinator of the section for liaison with the media.

## Working Groups

A message will be delivered at the beginning of the meeting to all those present, after which working groups will be formed on the basis of socioprofessional interests, and a plenary session will again be held at the conclusion of the meeting.

The meeting by the over 1,000 signers of the Manifesto of the 199 will not be open to the press. According to information obtained by the NP, the press will simply receive a communique at the close of the meeting.

The manifesto, which was published in March, proposes a reformulation of party activity and new ethical standards for political life. It suggests the need to establish new party organizations that can impart a new dynamic to national life.

11798

CSO: 3542/134

## COMMENTS ON PRESIDENT'S 'EVASIVE' STATEMENTS

Lisbon DIARIO DE NOTICIAS in Portuguese 13 May 83 p 2

[Editorial: "Obscure Talk"]

[Text] Above all else, the interview granted by the president of the republic to the Finnish newspaper HELSINGIN SANOMAT represents a discordant note in terms of the concerns over the future of the system that have been made evident by various sectors. Eanes admits that "the lack of suitable proposed solutions may impair voter confidence in the system itself." He is not sparing in his criticism of the "existing parties," but he repeatedly emphasizes his confidence in the democratic maturity of the Portuguese and says, with apparent certainty, that all attempts to seek antidemocratic solutions would be canceled by the automatic opposition of the people.

Those words denote a tranquillity that contrasts with the fears of those who are beginning to doubt the system's resources now that several of the possible combinations in the current party framework have already been tried. What other reasons for optimism does Eanes have beyond his confidence in the political maturity of the Portuguese? What other democratic solutions does the president foresee? In the interview, he does not say. But the abundant and inexhaustible "sources at Belem Palace" are always more generous than the chief of state himself when it comes to explaining--although indirectly--his statements. And here they are again to clarify what underlies the interview: "If the parties fail in their efforts, the Portuguese people might demand something else--for example, new parties." From being repeated so often, that suggestion is in danger of becoming trite before it is known for certain whether Ramalho Eanes' plans include the possible establishment of a party. Long before the local elections, certain "sources" and personalities "close to Belem Palace" were already asserting that the party in question would be established before the end of 1982.

The big novelty in this interview was, however, the president's reference to his replacement, although here again, he did not explain his point of view adequately. Ramalho Eanes said: "I personally am prepared to do everything to facilitate things for such a person by creating conditions in which my replacement will be easier."

Implicitly, therefore, he is indicating that he will be willing to sponsor or simply support a candidate for president of the republic in 1985. The only thing

is that he does not say whether he will do so by nominating someone who is within the party system or by supporting someone from outside the parties. Neither does he make clear which "conditions" he intends to create to make his replacement "easier." And that is how we get back to the principle of seemingly obscure talk.

The conditional and evasive manner traditionally used by Belem Palace does not help clear things up in this case, either. So it remains to be seen what kind of "succession" might be in Ramalho Eanes' mind and what the consequences might be for the very nature of the system.

11798

CSO: 3542/134

## MOTA AMARAL: DECISION ON POLITICAL FUTURE IN 1984

Lisbon DIARIO DE LISBOA in Portuguese 11 May 83 p 3

[Text] Mota Amaral has said that he regards as indispensable "an agreement on government in which the president of the republic will have major responsibility and which will be binding on all parties inside and outside the government."

The chairman of the regional government of the Azores said he favored "a center bloc consisting of the PS [Socialist Party] and the PSD [Social Democratic Party]" with governmental impact but based on an "agreement on government binding on all parties" represented in Parliament, whether in the government or in the opposition, and in which "the president of the republic will assume major responsibility."

Mota Amaral expressed those views as he was leaving an interview with President Eanes at Belem Palace. He justified his thesis with the argument that "no party has received a majority mandate to impose its program, and it is therefore indispensable to engage in dialogue and negotiate a viable and majority platform for government."

He added: "Joining forces to overcome the crisis, start the country operating and working, and strengthen the operation of the democratic system in a stable and irreversible manner is indispensable."

Mota Amaral also said: "If the parties refuse, we will have to seek another precarious solution, and that will soon lead us into a permanent situation of instability at an even lower economic and social level."

Concerning his personal political plans, he said that commitments which he intends to fulfill prevent him from being available for offices outside the autonomous region whose government he heads until 1984.

The Social Democratic leader admitted, however, that he may review his stand when that period is up.

He drew attention especially to the Azorean elections in 1984 as the time when he will decide concerning his own political future, considering that "the national PSD will take a stand on the leadership of the Autonomous Regional Assembly, and I"--he emphasized--"will also have something to say."

## DISAPPROVAL OF REPEATED REVISION OF CONSTITUTION

Lisbon DIARIO DE NOTICIAS in Portuguese 11 May 83 p 2

[Text] The constitutional revision was the center of the political struggle engaged in during the last few years in Portugal. Sa Carneiro made it a fundamental target for the Democratic Alliance. He attributed to it the role of an indispensable moving force for achieving the "change" that was then being publicized. Pinto Balsemao kept it as a "point of honor" and when he took stock of his tenure in office he placed it among the major achievements of his time in office. In comparison, the Communist Party developed all of its opposition strategy to the Democratic Alliance and later to the Socialist Party itself by shielding behind a defense of the basic law of the land, the elaboration of which it had attempted to block some years earlier. With the revision judged to be possible or convenient by a qualified parliamentary majority completed, promulgated by the president and now in effect for 6 months, we suddenly have voices being raised in the PSD [Social Democratic Party] calling for a partial reopening of the process as if the recently introduced changes to the constitution were of no value.

The constitutional revision being recommended by the PSD's National Council would be limited to the articles concerning the state's economic organization and its specific objective would consist of permitting the private sector to participate in areas that are closed off to it. It comes immediately to mind to ask if it is necessary to go ahead with a revision of the constitution in order to draw up a new law delimiting the sectors (a goal shared by the two parties now engaged in forming a government) when access to a group of economic sectors by private enterprise is regulated by common law. Unless the tacit aim of the motion approved by the PSD's National Council is something else: it is not only to allow individuals or private groups to compete in sectors that are now reserved for the state but to denationalize firms in those areas. Yes, that could only be done if the constitution were revised.

In this case (and if such a goal were set down in a possible PS-PSD agreement) we would be facing a somewhat unusual situation in that a so-called "Center-Left" government would be introducing constitutional changes that a "Center-Right" government, to use the corresponding terminology, was not able to obtain in parliament.

However, the proposal to revise the constitution anew, even if it were limited to economic matters, appears less prudent for other reasons that, in the end, would not enhance the image of democracy. The nation cannot live in a state of permanent constitutional revision under penalty of having the basic law of the land being taken for a mere circumstantial standard that changes at the whim of each parliamentary majority. And if this occurs with the basic law, what will not take place with the general laws?

9935

CSO: 3542/130

## COMMENTS ON DELAYED EEC MEMBERSHIP

Lisbon DIARIO DE NOTICIAS in Portuguese 9 May 83 p 2

[Text] The symptoms of a crisis within the European Economic Community are growing and the indications that Portugal's accession is being pushed toward a more and more distant future are growing with them.

Four days ago the nations of the community decided to propose to the Lisbon government a 7 year waiting period before the free circulation of people established among the 10 also includes Portuguese citizens. Three days ago, Gaston Thorn, president of the European Commission, once again sounded the alarm that he never tires of repeating: the community's own scanty resources will shortly prevent it from going ahead with "the policies being imposed" and "for many reasons" it will be prevented from being enlarged to include Portugal and Spain. What other indications will appear tomorrow to show that the "European dream" of successive Portuguese governments is condemned to continue for a good many years without the possibility of fixing and realizing an accession date?

Throughout the accession process begun 6 years ago, there were various occasions when Portugal's political instability was responsible for delaying the negotiations. Now, however, the situation has reversed itself. It is the internal difficulties the community is dealing with that threaten to delay enlargement to the Iberian peninsula.

Spain, whose accession process began much later than ours, has had a government for some months now that leans unmistakably toward the community ideologically but which is none the more disposed toward prolonging the negotiations indefinitely without glimpsing the desired goal. The Spanish leaders have already clearly defined their position when they said Spain will lose interest in membership if it does not occur by 1986.

Portugal, for its part, has just come out of an electoral campaign in which the European question strangely was not discussed as much as it would be hoped of a problem that at a time was considered "a priority of priorities." Did the political parties which always had an interest in the community option have their hopes discouraged? It would be rash to draw this conclusion but what is certain is that neither the PS [Socialist Party] nor the PSD

[Social Democratic Party] risked calling to the voters with the early prospect of EEC membership and making it a battle cry as happened before.

Ironically it will, in principle, fall upon the socialists (to whom we owe the request for membership) to lead this phase of the talks which, hopefully, will take Portugal to the Common Market. Mario Soares noted Thursday during a televised interview that the process should be concluded by 1984 when the presidency of the European Commission will be filled by socialist France. Is this merely foresight or is the PS determined to take "a strong position" once it is in power in a manner similar to the one adopted by the Spanish socialists?

9935

CS0: 3542/130

## SOARES WARNS ABOUT CONTINUED FUTURE LEADERSHIP

Lisbon O JORNAL in Portuguese 13 May 83 p 4

[Excerpt] Mario Soares hinted at the meeting of the Socialist Party's [PS] National Committee that the time could be approaching for the party to "walk by itself" without him participating in such an active way.

The agenda for the next party congress scheduled for 30 September to 2 October was approved at the meeting. The last point on said agenda is to elect those officers which, according to the statutes, the congress must elect.

The apparent insinuation of this statement gives support to the idea (mentioned in O JORNAL some months ago) that Mario Soares could be reserving for himself the position of party president as he prepares his way to Belem.

Furthermore, that idea is said to have been expressed in confidence by Mario Soares to some of his close advisors. After the congress is held there would be three vice presidents who, according to current speculation, could be Almeida Santos and Jaime Gama with the third place "reserved" for someone from the minority.

There were some confrontations during the National Committee meeting between members of the minority, the labor left and the Coimbra Federation on one side and the majority on the other. The confrontation was not so much over the alliance with the Social Democratic Party [PSD] as it was over the manner in which, according to the "protestors," the entire process was conducted. They said it tended to subject the decision process to conditions. According to our sources, the minority is said to have asked--without success--for access to the referendum materials which, as is known, gave a large majority vote to a PS-PSD alliance.

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CSO: 3542/130

## REFERENDUM ON PS/PSD COOPERATION SEEN QUALIFIED

Lisbon O JORNAL in Portuguese 13 May 83 p 4

[Commentary by Augusto Abelaira]

[Text] Unless it is believed that the current regime should be rejected, I do not believe an alliance between the PS [Socialist Party] and the PSD [Social Democratic Party] is unacceptable because it is precisely one of the possibilities offered by the regime. An alliance results from the electoral victory of a party which, in the words of its principal leader, left such a desire clear during the campaign. He said he felt closer to the PSD and rejected an alliance with the PC [Portuguese Communist Party]. Not to accept this is to doubt, if not the ability of the Portuguese to choose their future, at least the legal conditions under which they expressed their will and this is the same thing as rejecting the regime. In other words, it is to say that only certain privileged individuals who have access to the "divine" truths or to the "deep" feelings of peoples have the desired clairvoyance to make decisions independent of the "apparent" desire of the voters; this is another way of rejecting the regime.

Thus, by proposing to hold talks with the PSD to form a government, the PS leadership, whose party won the elections in accordance with the regime's (good or bad) rules, is confining itself to fulfilling what it had let others understand it would do in the event it did not have an absolute majority.... Was the leadership right? Would they not have obtained the same victory had they announced other solutions? This is another question that has given rise to fruitful speculation. In any event, it is unverifiable, though it would be interesting to do a poll on the subject. The question: "Would you also vote for Mario Soares if he favored an alliance with the PC?" We know, however, that the voters did not follow Mario Soares when he opposed Eanes. Let us say that Mario Soares' charisma (the ability to make oneself obeyed) is not complete. The PS's electorate has, at least, a minimum amount of free will. It is not made up of simple objects of seduction. This forces Mario Soares to be alert; we will look into this next.

It comes to mind to ask: When the PS's electorate voted, it accepted the alliance proposed to it but did the PSD electorate also resign itself to it? Will the PSD leadership not falsify the will of its electorate--which would mean that the next government would not represent a majority of the voters--by agreeing with the PS?

What about the PSD leaders who appear to be aware of this problem (so much so that they walk away from a referendum), would they not be indirectly fulfilling the will of their voters by accepting to form a coalition with the PS and assuming government responsibilities that would make the PS program unfeasible and attempt to impose the AD [Democratic Alliance] program through illegal means? Or, does Antonio Capucho speak the truth when he says that the PSD "was never disposed toward the AD," that everything has been a big mistake? Question mark.

And here we are face to face with the problem: PS voters enthusiastically or fatalistically approved a coalition with the PSD and not with the PC. However, by acting in this manner, they gave a very broad judgment. They did not say what the limits were, what conditions they were demanding for the coalition. This was so because the voting system does not allow it: it is yes or no.

Presumably they confided in Mario Soares. They believed that he would know how to evaluate what those limits were. It should also be noted in passing that the referendum lost a good opportunity to sound out the will of the party beyond the simple yes or no.

Be that as it may, it is not very credible to think that the yes given by the PS grassroots is unconditional. Those who voted for the PS rejected the AD which the PSD belonged to. If they had not rejected the AD they would have voted for the PSD. By voting for the PS and not voting for the PSD expresses the desire for new policies that are very different from the past ones. The demand that the PS not lose its character. A dream?

In truth, if I understand the facts (however the facts are in great part constructed by the observer), Mario Soares received authorization to ally himself with the PSD but only if.... And there is no compromising about that if.

I ask myself if it would not have given many people peace of mind if a member of the former secretariat had joined the current negotiating commission (Almeida Santos, Jaime Gama, Eduardo Pereira). Would this not have been a show of goodwill and unity?

I conclude: The blank check Mario Soares was given by the PS's voters is only formally blank. In fact, it contains some conditions that the yes or no electoral system makes impossible to realize. Black on white.

9935

CSO: 3542/130

## BRIEFS

NATIONALS IN AFRICA VOTE PSD--The PSD [Social Democratic Party], immediately followed by the CDS [Social Democratic Center Party], received the most votes in Mozambique and Angola for the 25 April elections. The results of the provisional count of the emigrant vote in Angola is as follows: Registered voters--5,573; voted--1,807; blank votes--15; invalid votes--18; PSD--692; CDS--548; APU [United Peoples Alliance]--259; PS [Socialist Party]--221; PDC [Party of Christian Democracy]--39; PDA--6; MRPP [Movement for the Reorganization of the Proletariat Party]--4; UDF [Popular Democratic Union]--2; LST--2; PC(R) [Portuguese Communist Party (Reformed)]--1. In turn, the results of the emigrant vote from Mozambique were: Registered voters--8,363; voted--2,220; blank votes--23; invalid votes--28; PSD--982; CDS--661; PS--221; APU--205; PDC--108; PDA--30; MRPP--9; UDP--3; POUS--2; PC(R)--2. [Text] [Lisbon A TARDE in Portuguese 6 May 83 p 13] 9935

CSO: 3542/130

## PSOE CONCERN OVER 8 MAY VOTER SLIPPAGE

Madrid EL ALCAZAR in Spanish 10 May 83 PP 8-9

/Text/ The government is doing its best to cover up its "moral defeat" of 8 May, which involved a loss for it of more than 2 million votes in only 5 months. There is great concern in socialist circles about the rapid 4 percent drop in popular support over such a short period of time, which is perceived as a serious warning and an important "test." The fact that AP /Popular Alliance/ maintained its level of support (in spite of the high rate of abstentions) is thought to be a confirmation of the people's confidence in the Right as an alternative.

It is thought in political circles that this decline in support for the socialists has had one direct consequence: the broadening of the "Popular Front" which already holds power in the town councils. And it will have another outcome: it will radicalize the PSOE /Spanish Socialist Workers Party/ under pressure from the Marxist wing, which is blaming the party's leaders for the electoral downturn, because of the "moderation" of the socialdemocratic sector and the political line which it has taken up to now. According to Marquiegui, this policy will even lead the PSOE to form a coalition with Euzkadiko Ezkerra /Basque Left/ in the Basque Country. The results of the election could also result in the remodelling of the Gonzalez government, particularly emphasizing the presence of the Marxist sector, which has been silent for some weeks for reasons of strategy within the Organizational Conference, but which is now claiming its share of direct power. Gonzales himself could neither affirm or deny the possibility of a crisis within his cabinet.

Yesterday, in view of the election results, there was talk about the vulnerability of the PSOE, which in some cases achieved a "pyrrhic victory" which puts in in the clutches of the PCE /Spanish Communist Party/ and their desire to play an active role. This is the case in Oveido, where the Left will be able to govern only if the communists support the PSOE. In Ceuta the PSOE will need the support of the CDS /Democratic and Social Center/ council. The same precarious situation is being noted in many other towns, where only if the Left forms an alliance (with all the political significance this would have under a government which calls itself "moderate") will socialism be able to remain in power.

Altogether, the PSOE has an absolute majority in some 30 provincial capitals; while AP-PDP-UL /Popular Alliance-People Democratic Party-Liberal Union/ has one in nine capitals: Burgos, Ciudad Real, La Coruna, Cuenca, Lugo, Palencia,

Pontevedra, Santander and Soria. Leon also could be governed by a coalition of independents and the AP,

In the Basque Country, one very important result of the 8 May elections, both on the political and electoral level, according to Marcos Vizcaya, is that the nationalists will be making agreements with Herri Batasuna /Popular Unity/" to uphold a national Basque policy." The PNV /Basque Nationalist Party/ deputy told Europa Press that "we are not going to forget the national identity of 'Euskadi.'" And he added: "I think that if the PSOE and its centrist policy try to snatch away from 'Euskadi' any mayor's offices that does not belong to them, HB will help us. These agreements, if they do take place, will not fighten us." In this way it seems that the secessionist line is becoming more radical in the Basque Country under the PNV-HB coalition, which is known to be in league with the ETA /Basque Fatherland and Liberty Group./

Up to now the businessmen have been restrained in their appraisal of the new situation, although one (Segurado of CEIM) stressed the "immense responsibility" which falls on the PSOE, "because it hold the power of the state, power in almost all the autonomies, and in a large number of the town councils." Segurado called Verstrynges's results in Madrid "remarkably good," and expressed his confidence that Leguina would seek to cooperate with the businessmen. In this sense it should be noted that in light of the election results one business sector is giving renewed support to the "social-democratic" line of the PSOE, so as to keep it from being replaced by radicals from the Marxist wing.

Yesterday most of the parties met to analyze the results of the elections. This was the case with the PSOE, AP and PDP. During the morning the majority of the leaders were asleep, after following the counting of ballots until the early hours of the morning.

Political sources have stressed the interest shown by Felipe Gonzalez and other socialist leaders in referring to the 1979 municipal elections when making their appraisals, without mentioning the change in the voting since 28 October.

8131

CSO: 3548/407

## REVIVAL OF ALGERIAN RELATIONS WITH STATE VISIT

Madrid ABC in Spanish 10 May 83 pp 8-9

/Article by Alberto Miguez/

/Text/ The King and Queen yesterday began an official 3-day visit to the Republic of Algeria. The monarchs made the trip accompanied by the minister of foreign affairs, Fernando Moran, who will carry out the duties of minister of the day during the stay of the King and Queen in the Algerian capital. During the morning, Don Juan Carlos received the president of the government in the Zarzuela Palace in his usual audience, which on this occasion was moved up one day because of his trip to Algiers. After the arrival of Don Juan Carlos and Dona Sofia, a reception took place given by the president of the republic, Chadli Benjedid, who today will hold a private meeting with the King of Spain.

The official visit of the King and Queen of Spain to Algeria culminates on the highest level the "policy of balancing" which has been the plan of our diplomacy up to now in the Maghreb, and it initiates an "overall policy," just as President Felipe Gonzalez once announced.

Despite the existence of certain sizeable, though timely, points of dispute such as the question of natural gas and the situation in the Western Sahara, Spanish-Algerian relations have improved considerably in recent months, especially since the visit to Algiers of the vice president, Alfonso Guerra, at the end of March. Guerra re-opened relations, assured his listeners about the wish of the socialist government for a policy which would renew the dialogue (which had been interrupted); and he put the Polisario Front in their place, when he held a chilly interview with their representatives. The official visit of Their Majesties the King and Queen is taking place a month after Felipe Gonzalez' visit to Rabat. Apparently we are seeing a new chapter in the policy of "balancing", which consists of matching one state visit with another by the government, always at the highest level. This was the case some years ago when President Suarez visited Algiers before the King and Queen officially visited Morocco. But then Algerian-Moroccan reconciliation was only a far-off working hypothesis, while now it appears to be coming true day by day. Faced with an irreversible situation which requires a good dose of imagination and audacity on the part of the Spanish representatives, the official visit of the King and Queen of Spain has a completely different interpretation.

The country of Algeria is undergoing a complex process of modernization, which it wants to achieve without giving up any of its marks of identity (neutralism, independent socialism, Arab solidarity, Pan-Africanism, the struggle for a new international economic order, etc). However, it also wants to avoid the policy of insularity which in the past led it into impoverishment, administrative chaos, international isolation, and confrontation with its neighbors. Although it is unlikely that Spain would become the privileged spokesman of Algeria in the Mediterranean area (France, the former mother country, continues to fill this role, both in the difficult field of politics, and now--with the coming to power of Mitterand--in the economic area); Spain instead has the capacity to start up a useful dialogue with the Maghreb giant on timely subjects, to which a new aspect must be added: scientific, technical, cultural and economic cooperation, without which it would be impossible to maintain our position in the future. The political plans of the government in Madrid and the one in Algiers do not conflict, and coincide on quite a few points. The difficulty lies in setting up agreements which do not make the other Maghreb countries feel threatened, as has happened in past years. And in raising the rank of the visitors to the highest level, to prove that now it is not laying out opportune policies but establishing lasting bonds, the Spanish state is going beyond the difficult balancing of the past.

Various general topics need to be discussed in the dialogue between Spain and Algeria: the Mediterranean Conference, North-South relations, the Middle East, the presence of the superpowers in the "Mare Nostrum", etc. But neither these or the other timely subjects (natural gas, pacification in the Sahara, Spanish credits, balance of payments, etc.) will be dealt with this time by King Don Juan Carlos and President Chadli Benjedid, although of course they may be brought up. This state visit is meant to confirm a new overall orientation of our diplomacy in the Maghreb region, which will be completed with Their Majesties' visit to Tunis, which is planned for next autumn.

8131

CSO: 3548/407

## BRIEFS

DAUPHIN HELICOPTERS TO ENGLAND--Four SA-365 N Dauphin 2 helicopters have just been ordered from the SNIAS [National Industrial Aerospace Company] by the British firm, Management Aviation, Ltd. This was reported in a press release. The first of these helicopters will be delivered in September or October of this year. They will be the first used over the North Sea. Management Aviation already has six Super-Puma for servicing drilling platforms in the North Sea. To date, 420 Dauphin 2 (with all its versions combined) have been ordered by 52 clients in 26 countries. [Text] [Paris LES ECHOS in French 9 May 83 p 13] 7679

CSO: 3519/485

MILITARY

NORWAY

# COMMISSION TO INVESTIGATE HARDANGER FJORD SUB INTRUSION

Oslo AFTENPOSTEN in Norwegian 18 May 83 p 14

[Text] Commander I. A. Danielsen of the Sorlandet seafaring district has been named chairman of the commission to analyse the possible operation of a foreign submarine in the Hardangerfjord from the end of April to the beginning of May.

The other members of the commission are Naval Captain T. Mauritzen, Submarine Inspection, Naval Captain H. Dyrstad, Supreme Defense Command, Lieutenant Colonel E. Torgesen, Northern Norway Defense Command, Naval Commander A. H. Klepshvik, KNM Tordenskjold and Program Secretary C. Borch, Norwegian Broadcasting System.

The defense chief, General Sven Hauge, appointed the commission. He wants all sides of the operation analysed with the idea of finding out whether the rules and directives are purposeful and good enough. The commission will also summarize the results obtained and make suggestions for possible changes in the present guidelines.

The commission will submit its report by 18 July.

The defense chief has asked questions such as whether it is possible to force a foreign submarine up to the surface with the equipment the Defense Department now has.

Hauge pointed out in FORSVARETS FORUM that no nation has succeeded in forcing a foreign submarine to the surface. He suggested that the best solution possibly will be to determine that there is a foreign submarine in Norwegian waters and then to chase it out.

For this, the Defense Department will need another type of equipment, because the equipment used today is primarily to sink foreign submarines in war, the defense chief said.

9124

CSO: 3639/119

## SOCIALIST-LEFT PARTY GIVES UP FIGHT TO BLOCK LORAN-C NET

Oslo AFTENPOSTEN in Norwegian 25 May 83 p 5

[Article by Einar Solvoll]

[Text] The Socialist-Left Party voted yesterday for an authorization of 40 million kroner to expand the Loran C-net outside the Norwegian coast. With this, the party has given up its struggle against Loran-C that has been one of the Socialist-Left's main causes through the years. Hanna Kvanmo also designated it as a notable day in the Storting because all the information has now been put on the table in this matter.

She also pointed out that it is the first time the Storting has made a resolution on construction in this matter, because the Loran-C net was originally set up in the 1960's without even NATO being informed. The U.S. financed the project, which is a navigation net that originally had military purposes.

Hanna Kvanmo asked the Minister of Fisheries, Thor Listau, whether it would now be possible for other countries to rent receiving sets so that they can be connected to the navigational system that will be constructed in the Barents Sea and the sea areas between Svalbard and the mainland. It would in this case be able to reduce some of the suspicion surrounding the navigational system, she said.

Fisheries Minister Listau could confirm this. "The new nets that will be established will be a so-called 'open system' in which other countries as well will also be able to rent receivers and in this way profit from the navigation net," the minister said. Hanna Kvanmo thanked him for a "very unusually clear and calming answer."

The spokesman for the matter, Hans Svendsgard, explained that the Loran C-system is much better to navigate by than the old Decca-system. With Loran C one receives signals equally well day and night, and the whole year round.

But the system has not been extended to the Barents Sea and in the waters south of Svalbard, and this is what will happen now. Two so-call Mini Loran C-nets will be established.

In the meantime, the Socialist-Left proposed that Televerket receive a contract to build and operate the Loran C-nets, and this proposal was supported by ten representatives, the Socialist-Left's own together with some from the Labor Party. But the majority had nothing to say about this being a task for the Defense Communications Service. Fisheries Minister Tho. Listau said that it was both practically and economically better so, because it will be less expensive for the government. But there is no reason that Televerket cannot be in charge of the operation if this should turn out to be the right thing in the future, the minister pointed out.

9124

CSO: 3639/119

## ASSESSMENT OF ARMY MISSILES, DELIVERY SYSTEMS

Madrid EL ALCAZAR in Spanish 18 May 83 pp 12-13

[Article by Alfredo Florensa]

[Text] The first Spanish TD vehicle will be presented to newsmen this morning, with a colorful symbol in the shape of a cockade, in the Spanish colors, crossed by a missile, on the body. This event will take place on the test track of the Talbot Factory in Villaverde, Madrid. Behind the presentation of the "Cazador," the vehicle's name, is the topic of selecting the new AT missile for the Spanish Army. Some major questions will have to be cleared up while the new vehicle is being looked into.

The reason for the public introduction, today, of the M-41 E TUA "Cazador" is the desire, both on the part of that company, which is a leader in the field of converting tanks for Spanish defense, as well as the Army, to show the vehicle here before it makes its international appearance at the Le Bourget Air Show.

Nevertheless, the first negative aspect to be explained is that the TD will not be shown in a Spanish pavilion. It will be in the shed of the United States Emerson Company which makes the missile-launching turret which is on the "Cazador." This is an indication of the uncertainty surrounding the adoption of the new missile.

#### Guerrilla Fighters of Steel

The TD vehicle sprang from the need for facing tanks with weapons that could neutralize them through their great mobility.

While better tanks are being produced day after day, especially with stronger armor, AT weapons systems are also becoming more and more sophisticated. The enormous advantage of the latter is that their cost and development are relatively simpler than the design of new super-armored tanks (which always involves the problem of excessive weight).

The development of TD vehicles, which are armored and which run on tracks or on wheels, and on which missile launchers are installed, has been pushed especially

in the entire West because of the constant fear regarding the many Soviet armored units.

A TD is basically a "guerrilla fighter" who hides behind hills or trees and fires missiles at enemy tanks almost point-blank.

#### Re-Use of M-41

The new Spanish "Cazador" was the result of the Army's need for TD vehicles which emerged in 1978.

One of the possible options was assigned to the Talbot Company. As we reported recently, that company has well-earned prestige in the conversion of old armored units coming from the United States, thus achieving noteworthy efficiency and domestic processing of vehicles.

One of the main problems in this entire program is the re-use of the very obsolete M-41. Talbot developed the E model with completely revised mechanical aspects although it is of little use as a tank; this is why it was decided to use only the hull (the lower part and the power plant) to carry new weapons or equipment.

The "Cazador" thus retained the basic traction structure of an M-41 E, on which the Emerson turret was installed in an armored mount. This turret is normally retracted and, to fire its load of TOW missiles, it "has to stick out" as if from the neck of a strange animal, to stick out over any obstacle while the rest of the vehicle is concealed.

#### Twelve Missiles

The missile launch and reloading operation is performed from inside the vehicle where the missiles are stored (plus another two which are already mounted). The turret has two launch tubes on the sides and the gunner's sighting system, which includes various day-time and night-time sights (the latter detect the heat from the enemy armored vehicle), is in the center. All of these installations in the turret, plus the crew members and the missile storage unit, are armor-protected.

The Emerson can rotate 360 degrees and assume different positions. It is driven by just one man. The "Cazador" has a total crew of four.

Along with the missiles, the armament includes a 7.62 caliber MG and concealment equipment, consisting of a so-called Teess system which uses the engine exhaust and two batteries of four Wegmann smoke grenade launch tubes.

One of the aspects that is most frequently commented on and criticized in some circles is the presumed advantage due to the fact that the vehicle has a portable missile launcher which can be mounted on land with a tripod. The question here is whether this launcher in reality is one of the two tubes in the turret that must be taken off the latter. This seems to be rather awkward in operational terms, theoretically speaking.

## Two Families for the Spanish Market

Earlier we noted that the choice of the new TD missile system is rather up in the air. It seems that what we have here is a reproduction of the large number of international offers made to the Spanish Army which keeps turning up in all of the new missile selections.

The battle lines have been drawn between two families: A United States family and a European family.

In simplest terms, we have the light AT infantry missiles. The French-German Euromissile Consortium has the MILAN; the American party is represented by the "Dragon." Both are used by the Spanish Army but the Euromissile model is being used to a greater extent than the McDonnell Douglas model.

The highest level of the dispute revolves around the future low-level AA missile where the European option is the "Roland," which is very much superior to the American "Chaparral" by Fort. The final decision is to be announced in the summer. The American weapon seems to have a better chance because of its lower price; contrary to the general tendency among modern armies to get the best missiles for the defense of specific points, more missiles would seem to be preferred here even though they are inferior in order to cover a broader area (the southern part of the peninsula).

The third point at issue was precisely the intermediate AT missile, especially designed to equip the TD vehicles. In contrast to what seems already to have been selected, that is, the American TOW by Hughes, the European option is called HOT.

Right now, these two missiles are already in service within the FAS [Spanish Armed Forces]. The TOW is installed on launchers mounted on Marine Corps jeeps. The HOT will be mounted on the Bo-105 AT helicopters of the Ground Forces.

### HOT--The Big Loser

The option with the HOT, on the "Cazador" vehicle shown today, was the so-called "Hako," currently being developed by Talbot on an M-41 E hull. A HCT (Hot Compact Turret) was installed on it, with four launcher tubes.

Both vehicles were evaluated back in 1979 in Colmenar Viejo and Toledo.

In general, the fact that the HOT system was discarded did cause a certain degree of astonishment. Its advocates argue that it was a well-engineered weapon which produced good results on helicopters which is why it was to be hoped that there would be a certain continuity and above all that there would be good prospects for counterparts.

The launcher tubes of the HOT it seems are already being produced in Spain and the HCT turret was offered for construction in Toledo by the Santa Barbara Company.

This very simplified turret, weighing 400 kilograms, furthermore offered the advantage of being capable of being installed on the BMR wheeled armored vehicle, a completely Spanish product which had found magnificent use as TD. Against the HCT one might mention the poor armor plating.

As for the missile itself, according to the opinions of engineers, the HOT also seems to be slightly superior to the TOW.

Both of them are wire-guided but the European missile is semiautomatic and considerably more modern; besides, it has a better night vision system and greater range. The cruising engine system and the jet nozzle system furthermore guarantee the HOT a more uniform and more easily controlled flight.

The TOW is very antiquated and it will have to be replaced almost immediately. Work is being done on the development of the TOW-2 which is expected to be operational within 2 years. American sources announced that Spain would get it immediately but are American promises trustworthy?

Can We Trust the United States?

On more than one occasion, concerning purchases of weapons systems, we expressed lack of confidence toward the French market in these pages. But this is not a manichean attitude. The American seller, according to military opinions, inspires little confidence: "They sell us something very old at a very good price or they give it to us but then we have to pay through the nose to get a spare part and ammunition."

As if this reason were not enough to have some distrust of the offer made regarding the TOW, we must not forget either that American supply shipments can be cut off at any moment as Washington desires.

This line of reasoning assumes its true dimension, with the explanation that the AT missile shipment will be sent to Ceuta and Melilla according to persistent rumors.

Although there seems to be disagreement within the Army regarding the TOW and the HOT, the reason for the selection of the former, according to reliable sources to which EL ALCAZAR had access, is not to be found so much in the diversification of supply sources but rather in the need for getting those missiles to Spain quickly.

According to those same sources, there is "moderate concern" within the Army General Staff concerning the situation in the two Spanish cities. It is no secret that, thanks to United States aid, the Moroccan Army can right now be stronger than the Spanish Army in both tanks and missiles.

Although military sources consider the terrain of Ceuta and Melilla to be rather unsuitable for tank warfare ("it would be above all an air battle"), there seems to be confirmation of that desire as quickly as possible to have TD's for shipment to those locations.

It is rather paradoxical to note that it is precisely the United States (and, specifically, the Hughes Company) which in a position rapidly to supply an old AT missile which is being taken out of the inventory of American units; it is the United States who is a supplier of very sophisticated weapons to the Moroccans who are now its most reliable allies.

#### A "Scare" That Does not Clarify the Topic

One of the main questions that will have to be tackled concerning today's presentation of the "Cazador" TD is whether the work done by Talbot will in the end be properly utilized by the Spanish Army.

There seems to be a program that could include the purchase or conversion of something like 100 vehicles with these characteristics although we do not know the exact deadlines and terms connected with that.

Some sources talk of a second phase which the "Cazador" vehicles could enter but right now a first phase will not include the vehicle assembled in Spain but rather 36 United States units called M-901, consisting of a specially armored caterpillar transport vehicle, on which the Emerson turret will be mounted. These vehicles are similar to others already existing in Spain but they are not equal; this means that new technicians, mechanics, and pilots [as published; gunners] will have to be trained.

It seems, at least, that the Spanish option of the BMR by Pegaso has been discarded and we also of course have the "Cazador," which is likewise of Spanish origin; nevertheless, the M-901 vehicles will come fully assembled from the United States. This decision is also prompted by the speed of delivery and because the vehicle practically includes the price of the launcher.

Is all of this certain?

A final surprising decision will deprive the media of being able directly to take up these questions with responsible officials in the Army. The presentation of the "Cazador" will be handled only by the Talbot Company as the industrial producer. Later on, when the vehicles are already armed. This presentation will be coordinated by the General Ground Forces Headquarters, to which this periodical has already forwarded some topics taken up in this report so as to get reliable data. Just 24 hours ago, in a surprising and sudden change, orders were issued to the effect that the Army not be present, either as invited guest or as an observer, at this display.

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**June 23, 1983**